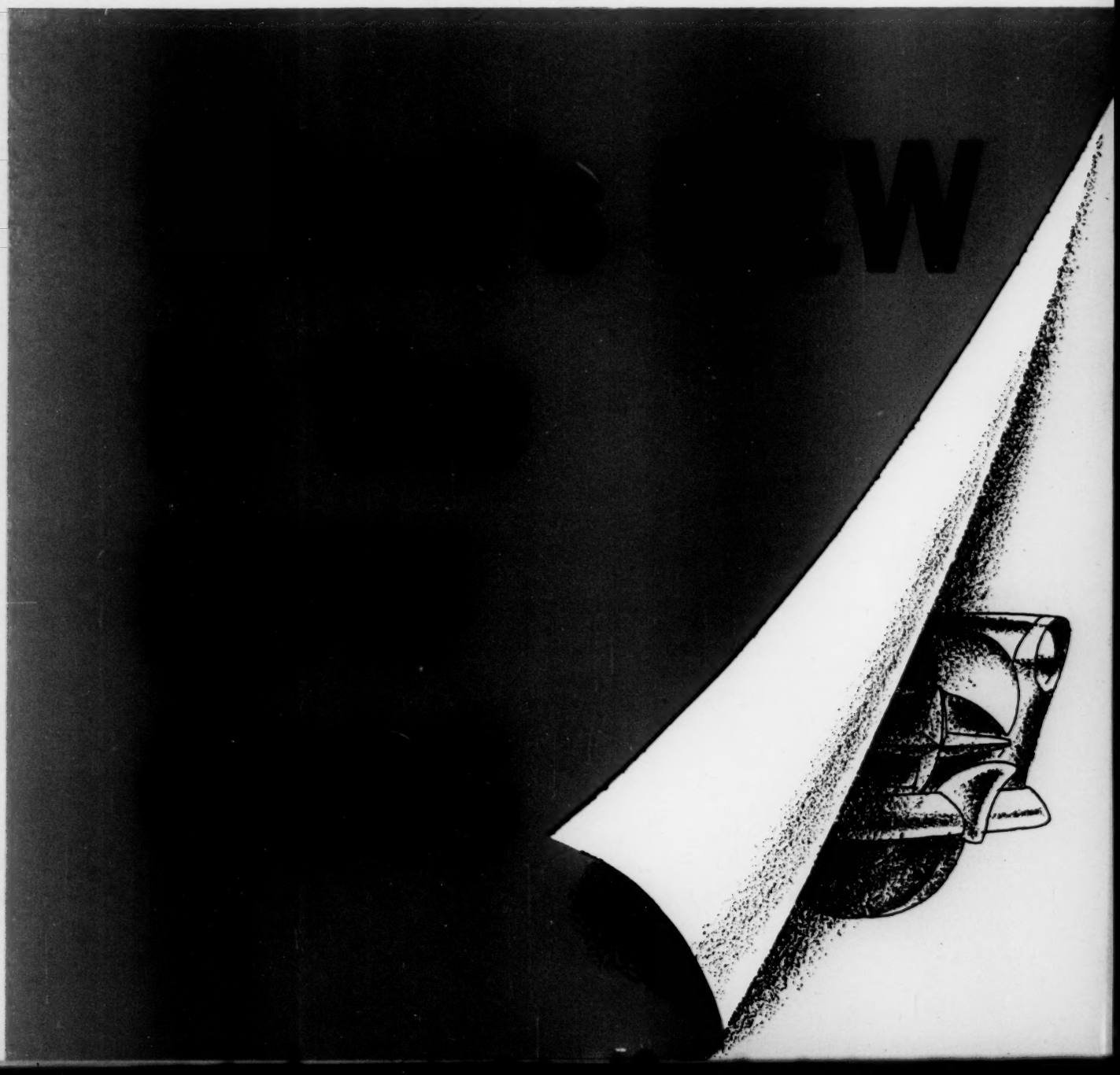
NOVEMBER 11, 1955 20 CENTS

U.S. News & World Report

The United States News ® World Report ®

For the First Time—

A QUIZ OF RUSSIA'S OPINION MAKERS



How to keep a goldfish in a bag!

Successful practitioners of the goldfish-bagging art name two requisites. The bag must hold water; and it must permit air to pass through its walls. In other words, the bag must behave like polyethylene.

Because polyethylene keeps vegetables fresh by letting them breathe, it is one of our most useful packaging materials. It gets a healthy assist from an *antioxidant* developed by Shell Chemical—Ionol.®

It is Ionol in the mix that imparts to polyethylene its ability to weather high temperatures during initial milling of the film. It is Ionol that helps keep it tough during years of wear.

Ionol in paperboard, too, combats rancidity in packaged cakes and cookies. And it is Ionol, added directly to vitamin concentrates, lard and shortening, that greatly lengthens shelf life.

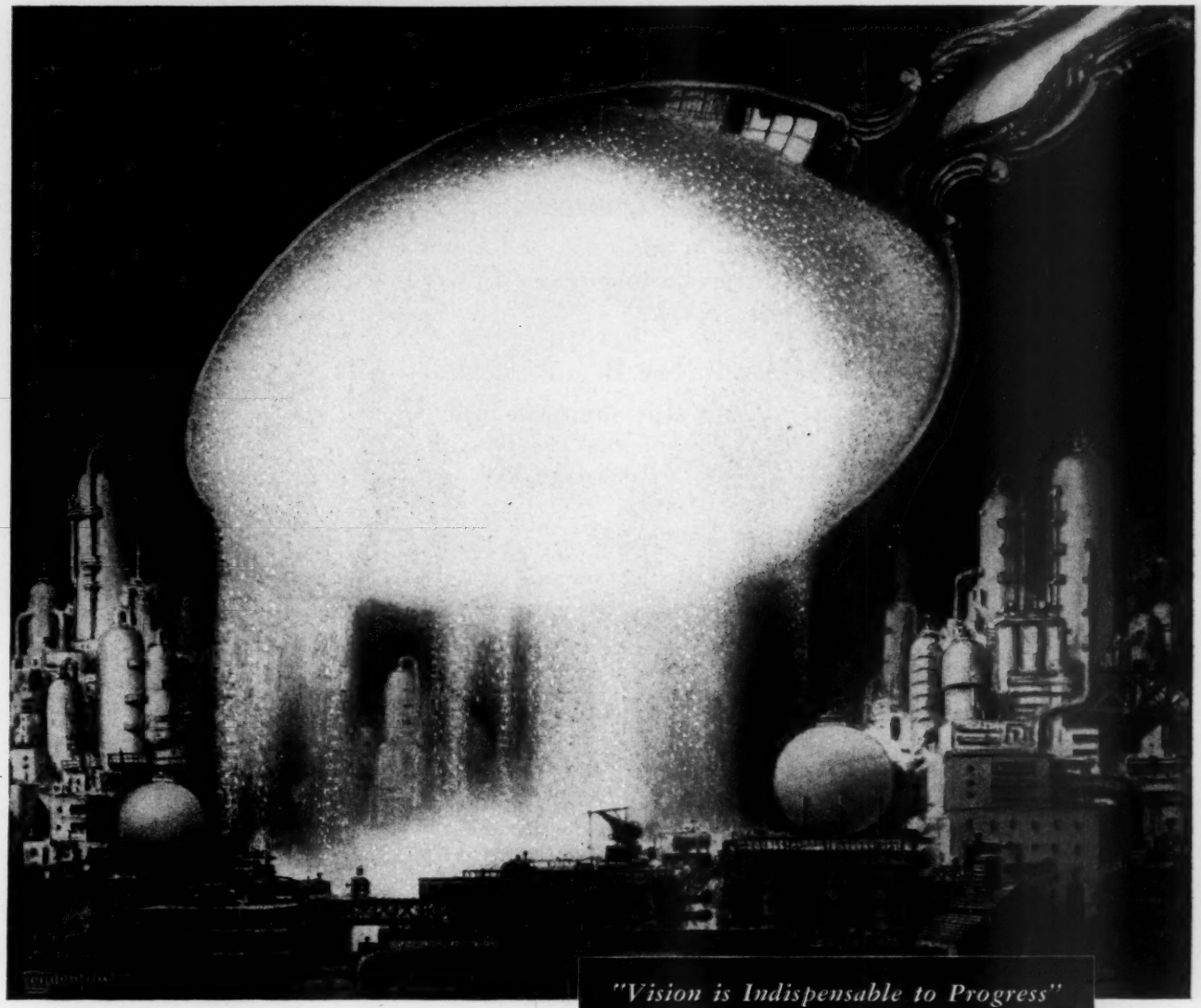
The making of Ionol, an antioxidant of many uses, is another of Shell Chemical's contributions to the packaging and food processing industries.

Shell Chemical Corporation

Chemical Partner of Industry and Agriculture

NEW YORK

SHELL



"Vision is Indispensable to Progress"

New textiles, new plastics, new cleansers—from giant teaspoons of sugar

Once a treasured luxury, sugar—now an everyday energy food—suddenly and dramatically has become an element of fascinating promise to industrial chemists.

Over the past 100 years, the sugar industry has steadily improved its techniques for extracting this "concentrated sunshine" and refining the crystallized grains. World consumption amounts to 43,000,000 tons yearly. Of this vast sugar mountain, 96% is required by the human family in beverages, preserves, candies, dairy products, bakery products and other foods. The U.S. uses more than 8,300,000 tons of sugar annually—more than 100 pounds for each American!

Newly discovered Sucro-Chemistry is about to enter a brilliant era of development with sugar as the key ingredient. In the laboratory, sugar and its by-products have already made new fibers for clothing, new wonder-working detergents and emulsifiers, different, delicious tooth paste. Future sugar-based products will include plastics, adhesives, insecticides, and solvents.

With characteristic energy nourished in our atmosphere of free competition, the sugar industry looks ahead to a still larger part in the nation's economy and a greater destiny of achievement.

BANKERS TRUST COMPANY

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IN THIS ISSUE:

★ How Britain's Socialists Plan for a Comeback

Here is a firsthand account of how Britain's defeated Labor Party is revamping its political strategy, as told in an exclusive interview with a party leader. Page 124.

★ Are Chinese Reds Winning Over Their U. S. Prisoners?

For an inside story of what life is like as a prisoner in Red China, see these interviews with newly released civilians, obtained as they arrived in Hong Kong. Starts on page 58.

★ An Answer to the Classroom Shortage?

Communities all over U. S. are trying to make room in schools. For one method that is to get intensive study, see page 100.

★ The Cover Articles: What's New in the New Cars, page 38. A Quiz of Russia's Opinion Makers, page 76.

★ Contents

March of News 4
Tomorrow: A Look Ahead 9
Washington Whispers 14
People of the Week 16
'55 Profits to Break Record 21
If War Comes to Middle East— 24
Why the Farm Vote Worries Republicans 28
What's This "Soil Bank" Idea? 30
Armed Forces: America's Biggest Business 32
What's New in the New Cars 38
Why Margaret Said "No"—The Real Story 48
Worldgram 53
Prisoners' Story: Life Under Red Chinese.. 58
The Men—The News:
Truman & Byrnes—Former Friends 64
News You Can Use 69
We've Been Asked:
Who Gets the Food Dollar 75
A Quiz of Russia's Opinion Makers:
Interviewing Soviet Newsmen in U. S. 76
Incomes Are Rising Nearly Everywhere 95
Are Year-Round Schools Coming? 100
Senators Ask: Is General Motors Too Big?
Statement by Senator O'Mahoney 104
Memo From East Germany 106
Plus and Minus:
Indicators of Business Activity 110
Labor Week: 15 Million Members—
How Will They Vote? 113
News-Lines for Businessmen 118
Business Around the World 121
What Socialists Plan Next: Interview
With Hugh Gaitskell, British Laborite 124
Finance Week:
Do Tax Rates Need to Be So High? 134
Trend of Business 141
David Lawrence Editorial 144

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THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
Three Titles Reg. U. S. Pat. Off.

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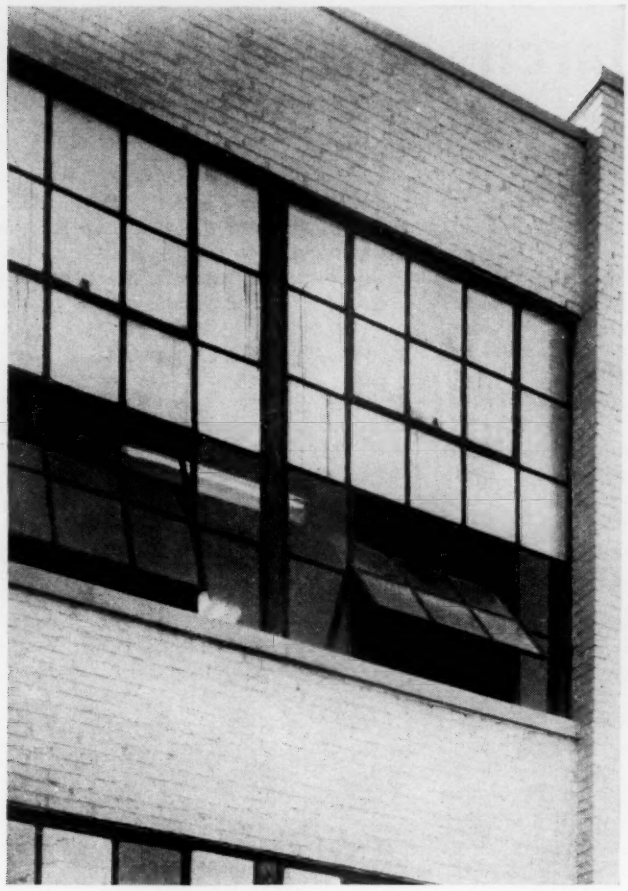
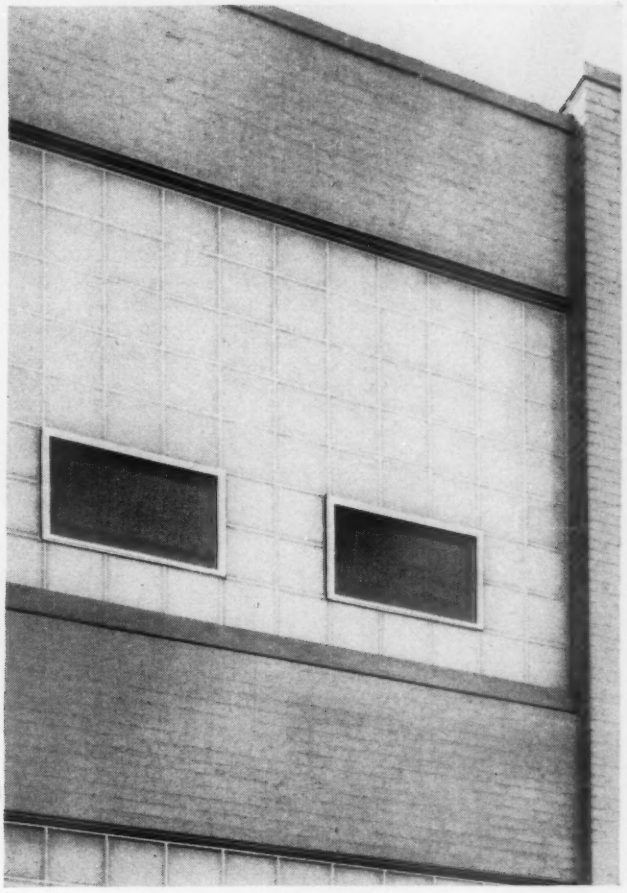




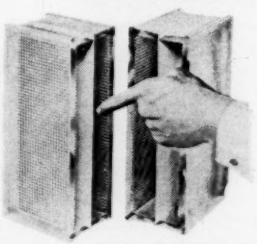
How to eliminate recurring window maintenance

If you have experienced maintenance problems with windows like those at left above, you know only too well that the first repair job is never the last. Encrusted paint blisters and peels. Moisture builds up rust formations and warping and buckling soon follow causing window breakage. Putty loosens and calking pulls away. The discouraging thing is that the repairs, which don't really cure the basic headache, bring only temporary relief from costly maintenance.

Fortunately—as shown in the right hand picture above—there's a sound answer to the problem . . . *modernize with panels of PC Glass Blocks.* Once these panels are installed, you don't have to do anything to them for years. There is no paint to blister and peel—no rust to form—no warping and buckling to cause window breakage—no putty to crack and loosen. And this low maintenance is just part of the story. PC *functional* Glass Blocks are designed to process raw daylight into useful illumination that's easy-on-the-eyes. This *controlled* daylighting bans the need for shading devices and aids worker efficiency and comfort. The high insulation value of a Glass Block panel (equal to an 8-inch masonry wall) lowers heating and cooling costs, and virtually eliminates condensation problems. Last but not least, PC Glass Blocks take years off the age of your building.

The complete story is told in the booklet, *How to Modernize Old Windows with PC Glass Blocks.* Write for your copy. Pittsburgh Corning Corporation, Dept. US-115, One Gateway Center, Pittsburgh 22, Pa. In Canada: 57 Bloor Street West, Toronto, Ontario.

PC FUNCTIONAL GLASS BLOCKS ARE TRUE OPTICAL UNITS



Notice in this cut-away view the tiny internal prisms that throw light up to the ceiling or diffuse it in all directions, depending on the pattern selected. The hand points to a fibrous glass diffusing screen used in certain patterns to further reduce heat and glare.

PC Glass Blocks

PITTSBURGH PC CORNING®

ALSO SKYTROL® AND FOAMGLAS®

The Sick Lion

The lion let word get around that he lay at death's door in his cave and wanted everybody to come and listen to his last will and testament.

A skeptical fox decided somebody else could go first and kept his distance while a sheep, goat, and lamb dutifully disappeared through the door.

Staging what must have been a miraculous recovery, the lion suddenly appeared at the mouth of the cave and, spying the fox, asked why he didn't come in and pay his respects, too.

"Sorry, your majesty," said the fox—"but so many tracks lead in—and none out—that I thought I'd wait until your cave was a little less crowded."

Or, in other words, as Aesop used to say, don't believe everything you hear.

That's good advice anytime, of course. But especially in a business like ours.

Time after time, we've warned investors about buying stocks on the basis of rumors or tips . . .

Time after time, we've counseled them to get all the facts first.

How? It's as easy as writing our Research Department.

We'll be glad to give you all the information we can about any industry, company, or stock in which you may be interested.

Or we'll be glad to send you an objective report on your whole portfolio.

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The March of the News

NEW VACCINE

RESULTS OF TESTS with a new vaccine designed to combat cold-like illnesses were announced by the U. S. Public Health Service. The verdict: "Substantial protection" is offered against one virus that causes epidemics of fever, sore throat and inflammation of the eyes. Tests were made on 85 inmate volunteers at two reformatories.

The vaccine is not yet effective against the "nonfeverish, runny-nose . . . common cold," scientists said, and is not yet available to the public.

IKE'S PROGRESS

GLOWING REPORTS came from visitors to President Eisenhower's hospital suite in Denver. They told how well the President looked, how eager he was to get back to work full time.

Mr. Eisenhower was stepping up his physical activity. Doctors gave him the full run of the eighth floor at Fitzsimons Army Hospital. The President's schedule showed various social, as well as business, appointments.

At Gettysburg, things were being readied for the President's convalescence there. The Chief Executive hoped to arrive on the farm by November 14, which is Mrs. Eisenhower's birthday.

Meanwhile, in Washington, White House advisers were studying ways to ease the burdens of the Presidency. Some suggestions from Senator H. Alexander Smith (Rep.), of New Jersey: a new law, relieving the President of such routine duties as signing commissions in the military forces; a new policy on the part of Congressmen, holding down the number of requests for White House appointments for themselves or their constituents.

BOOMING SUBURBS

POPULATION GROWTH in the nation's suburbs is about seven times as fast as in the cities they adjoin. Population of "Suburbia" has jumped 27.8 per cent in the last five years in 168 metropolitan areas, the Census Bureau reports, while the population of central city areas has grown by only 3.8 per cent.

RUSSIA'S NAVY

UNDERSEA MIGHT of Russia's Navy now totals 400 submarines, with 100 more under construction, according to the 1955-56 edition of "Jane's Fighting Ships." Just a year ago, "Jane's" estimated the Soviet submarine fleet at 300.

Another "somewhat surprising" development reported by "Jane's": Many navies, including those of the U. S. and Britain, are going back to wooden hulls for minesweepers, patrol, torpedo and gunboats to guard against magnetic mines.

FREER TRAVEL

SEEING MOSCOW is easier now. All you need is a U. S. passport and an O.K. from Moscow—no special permission from Washington is required. The State Department last week eased restrictions on travel in Russia, Poland, Czechoslovakia, Hungary and Rumania, citing "some slight improvement" in the treatment accorded U. S. citizens by those countries.

Still taboo for most U. S. tourists and businessmen: Red China, North Korea, North Vietnam, Bulgaria and Albania.

MISSILE SHIP

THE WORLD'S FIRST guided-missile cruiser was commissioned last week, and dubbed the forerunner of "literally dozens" of ships that will don new armament in the next five years.

Missiles fired from two twin launchers on the cruiser *Boston* will search out enemy jet aircraft at ranges of 20 miles or more in any weather, the Navy announced.

Speaking at commissioning ceremonies for the cruiser, Adm. Arleigh A. Burke, Chief of Naval Operations also predicted that "within the next couple of years" the Navy will expand nuclear power "to guided-missile ships, such as this one, to frigates—and to aircraft carriers."

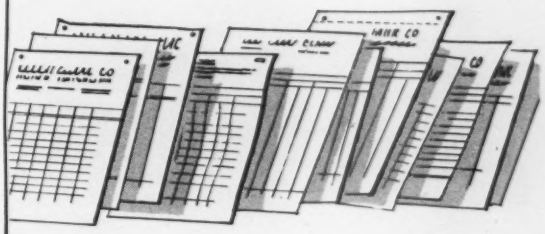
WORLD TROUBLE SPOTS

SAVAGE FIGHTING broke out on a 30-mile front of the Israeli-Egyptian border, flared into the biggest battle since the end of the Palestine war. . . . While Czechoslovakia provided arms for Egypt and trained Egyptian pilots, Moscow was selling crude oil to Israel.

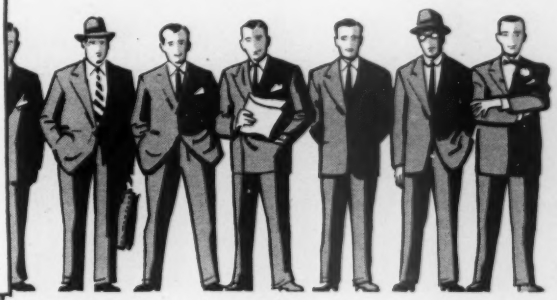
Mobs armed with clubs and stones attacked British buildings and the U. S. Information Agency headquarters in Patras, Greece. Some 120 persons were injured in the most serious outbreaks to date over the Cyprus issue. . . . From Afghanistan came the news that Czechoslovakia was offering to arm that little nation, now embroiled in a dispute with Pakistan.

Off Formosa, Communist Chinese guns bombarded Nationalist positions on Quemoy in one of the heaviest attacks in recent months.

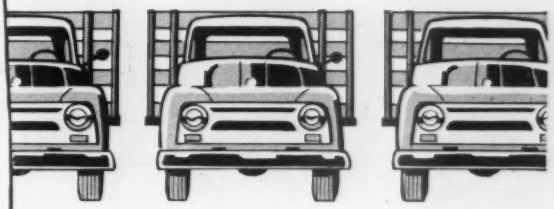
Sales up
$7200 a week...



Hundreds of new
customers added...



Three new delivery
trucks ordered...



And the telephone is the only salesman!

Here's another example of the *sales-power* of the telephone in developing out-of-town business.

The Sun Ray Wholesale Company, an Indiana feed and grain dealer, has built up a $375,000 annual business *solely* by calling out-of-town customers on the telephone! The cost of the calls is less than 1% of sales. The results are shown above.

Whether you sell grain or grommets, flowers or flounders—or almost anything else—you'll find that the planned use of Long Distance doesn't cost . . . it *pays!* We'd like to show you how to make profitable use of the telephone in your business. Just call your Bell Telephone Business Office—there's no obligation. A representative will visit you at your convenience.

BELL TELEPHONE SYSTEM

LONG DISTANCE RATES ARE LOW

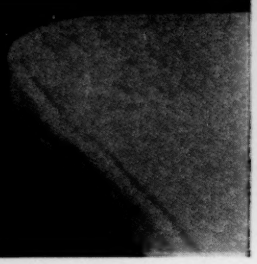
Here are some examples:

Indianapolis to Akron	90¢
Philadelphia to Boston	95¢
Dallas to St. Louis	$1.35
Atlanta to New York	$1.50
Los Angeles to Washington, D. C.	$2.50

These are the daytime Station-to-Station rates for the first three minutes. They do not include the 10% federal excise tax.

Call by Number. It's Twice as Fast.

WHEN A MINUTE CAN MEAN A FORTUNE!



EXECUTIVE: *Is that a storm ahead of us?*

PILOT: *Yes, sir. Looks like a bit of weather.*

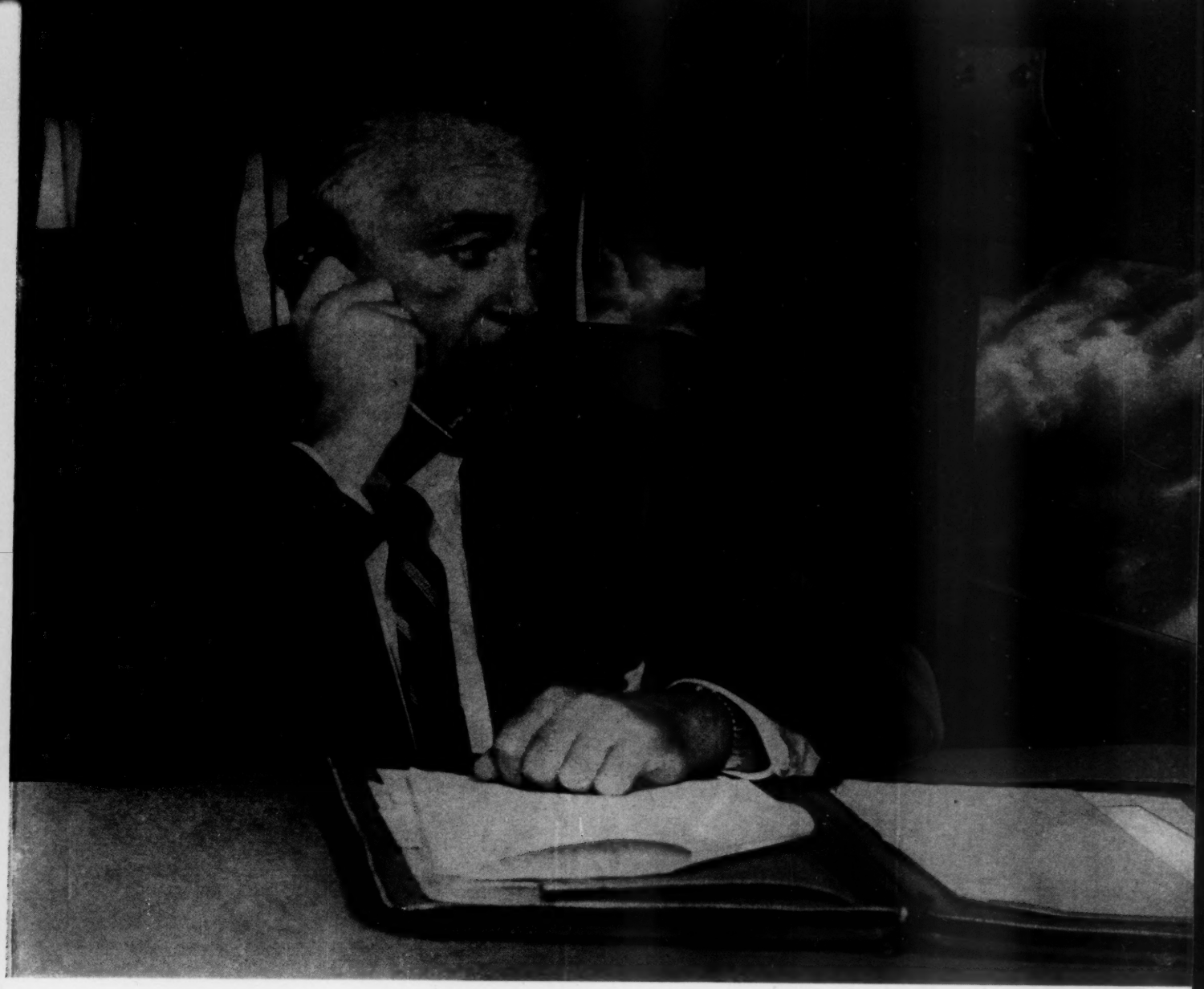
EXECUTIVE: *Does that mean we're going to get in late?*

PILOT: *I don't think so, sir. The radar shows we can make it without too much detouring. We should get in on time.*

EXECUTIVE: *Good! This is one meeting I can't afford to miss.*

AT A TIME LIKE THIS—"When minutes are essential," an RCA Weather Radar (AVQ-10) in your executive airplane can mean the difference between a costly detour around storm areas and reaching your destination on time and maintaining your planned schedule.

Light in weight, low in cost, thoroughly proved, RCA's Weather Radar belongs in today's "standard-equipment" category. It presents your pilot with an easily-interpreted display of storm conditions as far as 150 miles ahead. By en-



abling your pilot to "see" into storm areas along your course, he can select non-turbulent paths between them, making long detours unnecessary. The AVQ-10 also provides for valuable ground-mapping information, clearly showing such landmarks as lakes, rivers, and coastlines.

In view of the great and growing demand for RCA's AVQ-10 Weather Radar by leading air lines and business aircraft operators, those interested are invited to write for further particulars in order to assure early installation.

Dotted line shows how airplane passes between storm cells in its flight path, therefore saving time and increasing passenger comfort.

Minutes and miles are saved by being able to find a smooth path through turbulent areas.

AVQ-10 antenna in the nose of airplane scans forward areas, enabling pilot to evaluate storm conditions far ahead.

RCA

COMMERCIAL AVIATION SALES

RADIO CORPORATION of AMERICA

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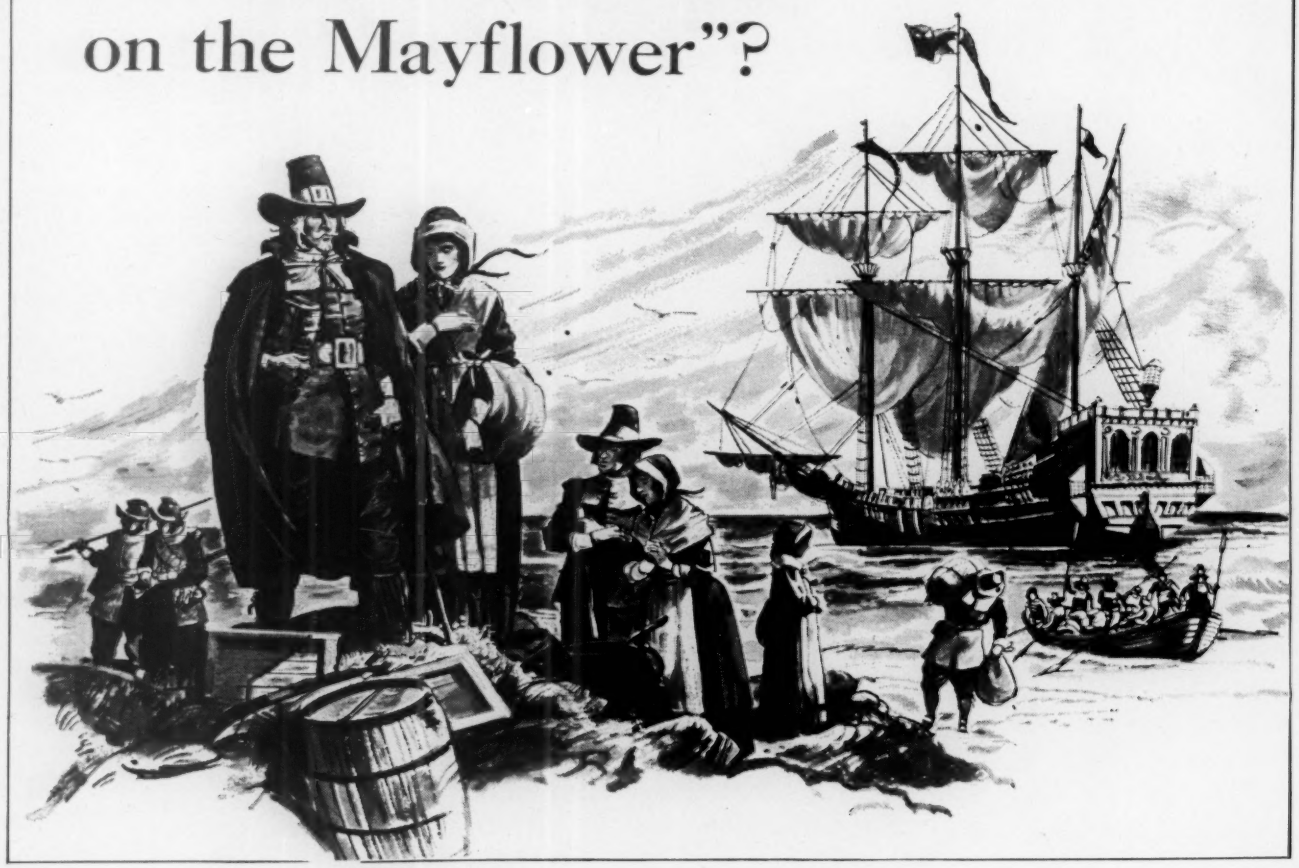
Did you know that beer "came over on the Mayflower"?



Today, as in the past, beer and ale are part of American life—a symbol of pleasant living and sensible moderation. Today, nearly two out of three Americans serve these beverages of moderation in their homes.

BEER was a part of the provisions the Pilgrim Fathers brought with them, and a diary kept of the Mayflower's voyage tells us an interesting version of why the Pilgrims decided to land at Plymouth Rock.

An entry written in this diary on December 19, 1620, reads: "For we could not now take time for further search or consideration; our victuals being spent, especially our beere . . ."

When the fall of 1621 brought the Pilgrims a bountiful harvest, Governor Bradford proclaimed a day of Thanksgiving. It is very likely beer was on the menu of that celebrated feast along with the now-traditional turkey.

United States Brewers Foundation... Chartered 1862

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FROM THE NATION'S CAPITAL

Tomorrow®

A LOOK AHEAD

Newsgram®

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Full-scale war in the Middle East is unlikely right now. Egypt is not strong enough to take on Israel. Israel will be restrained from big war.

Fighting, however, will keep up on a limited scale.

Little wars, brush fires, will feature the period ahead.

Shooting, small-scale war, continues around Formosa. Matsu and Quemoy, out of the news for a time, will be back in it again next year. War, a form of civil war, will keep up in French Morocco. Truce in Korea is an uneasy one. Indo-China will be back in the fighting as soon as Communist China is strong enough to flex her muscles in more than one place at a time. Cyprus is in ferment. Afghanistan is going to get Soviet arms. Pakistan, next door, is getting American arms. There are plenty of potential trouble spots.

Arms, small arms mostly but big ones, too--airplanes, submarines--are being scattered around the world. They're abundant, cheap, cut-rate.

U.S. is supplying a lot. Soviet Union is, also, and is branching out, peddling arms right in the back yard of Western nations. People always are squabbling. When they have guns, lots of ammunition, hot tempers, there is a great urge to do some shooting. That's what is going on.

Russia finds it profitable to egg people on, to stir fights.

What you're going to see is lots of local fighting, lots of feuding and shooting. But not big war. Not atom bombs falling. Not mass killing.

Communists have it planned that way. They figure it pays.

When you look around you see why. Britain is weak, pulling out of one place after another. That leaves something of a vacuum. Russia slips in. France is very weak. Communists hold the balance of political power there. It's very easy to encourage nationalist groups in French colonies to revolt.

Asia is filled with opportunities to exploit. Burma, just now, is to move to the Communist side without even much of a push. After looking over what U.S. had to offer, U Nu preferred the Russian style.

Conferences are something the Communists like, too. They pay off.

Teheran, in 1943, got Russia a free hand in Eastern Europe. Yalta was an extremely rich haul in early 1945. It yielded a chunk of Poland, a chunk of Asia. Potsdam, later in 1945, opened up loot out of Germany, some territory, control of East Germany. Panmunjom, 1951-53, gave Communists a rich little chunk of South Korea, a truce to violate.

Geneva, 1954, yielded a big slice of Indo-China to Communists. Geneva,

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July, 1955, brought the "Geneva spirit," which called for U.S. to throw away her gun and to "coexist." Geneva, November, 1955, was Russia's signal to jump into the Mediterranean area, to stake big new claims, when the guns were off the table. It worked, despite some fussing and fuming.

The formula is simple: Cause trouble, then exact a price for easing it. That one can be worked over and over, always yielding something.

Communists know this: The rich have most to lose from trouble. The weak are pushovers in time of trouble. Rich U.S., weak Britain and France will pay to be let alone, to be allowed to enjoy themselves or to keep most of what they already have. Communists--the have-nots and hard-boiled--do not let sentiment interfere when the rich and the weak ask terms.

When U.S., in the "Geneva spirit," took her gun from the table, the way was opened for Russia to make daring new moves in the Middle East, elsewhere.

Dollars, big gifts, a while back, made friends, influenced people. Guns, free in military aid, then were popular, gave U.S. the big say.

Americans, in 10 years, have given away 51 billion dollars--more than all of wartime Lend-Lease--to try to win and hold friends. West Europe has had 33.4 billion. Middle East, including Greece, has had 4.3 billion. Asia has been given 10 billion. The rest of the world got some, too.

Money, however, does not turn the trick as it once did. People nearly everywhere outside Communist countries feel pretty well off. Past favors are easily forgotten. New favors seem less urgent. Military aid, as well, no longer is clamored for. Military, in the West, is being de-emphasized.

Soviet Russia, giving little, demanding much, forgetting sentiment, seems obviously to feel that her approach is more durable and profitable.

Stock markets, in all principal countries, are less buoyant.

Stock prices, down from highs, reflect anti-inflation moves by the big Western governments. Inflation, at this point, appears to be controllable.

Money, almost everywhere, is not quite as easy to borrow.

Residential building, in U.S., is to slip lower, because of credit restraint. Mortgage credit, quite tight, is unlikely to be loosened much till early 1956. There's a little loosening of a few of the screws now, but not much.

Installment credit is the official worry. Almost any employer can tell you of employes in trouble, overborrowed on what had seemed very easy terms. Money, broadly speaking, will be kept under tight rein until it is evident that installment credit is not being widely abused. New moves to tighten use of credit are not to be expected. Credit easing will be next--in 1956.

President Eisenhower is expected to announce his retirement plans by or shortly after the first of the year. Ike, in stepping out, is most probably to leave the field wide open, to avoid giving any one man an advantage.

Republican success or failure in 1956 will relate closely to well-being of voters. All policies will be related to keeping times good next year. Farmers, almost surely, will receive generous treatment from Congress. Farm vote is vital to Republicans in key States. Taxpayers can look for favors, as a broad group. Political fight in 1956 is to be an intense one.

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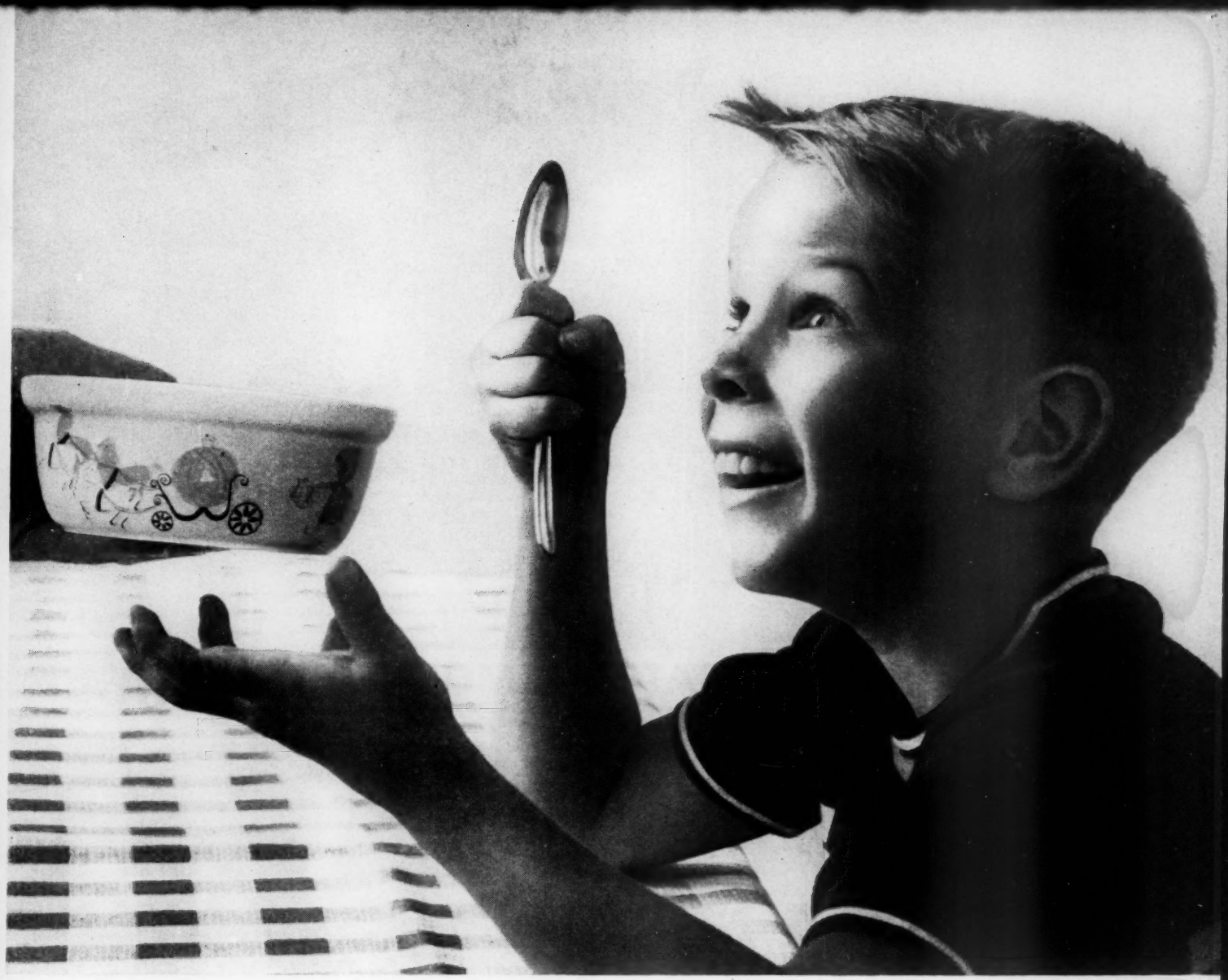

Come and get it!

This is the way the breakfast food industry uses money from banks to help you set a good table

This morning, America, you sat down to an estimated 1,000 tons of breakfast cereal!

And to satisfy your taste for the perfect breakfast, 64 separate manufacturers produce dozens of different cereal varieties which you find on your grocer's shelves under all the popular brand names.

To produce and sell these products of healthy American business competition, many groups as diverse as farmers, manufacturers, retailers, and . . . bankers, work together.

What bankers do

The banker is important to the cereal story for many reasons. At the raw material stage, it's frequently a bank loan that tides the farmer over from sowing to selling his crop. On the processing side, bank loans help milling companies buy up summer harvests, convert them into table cereals . . . package and market them. And, on the retail level, it's often a bank loan that helps your grocer stock cereals to your family's taste.

Health and wealth

But all these bank loans do more than contribute to your freedom of choice at the breakfast table.

They also contribute to the nation's over-all economy, because wherever money works in America, men and women work too, and the goods they produce . . . the wealth they create . . . add to the whole nation's health and well-being.

The Chase Manhattan Bank of New York, a leader in loans to American industry, is proud of banking's contribution to the progress of our country.

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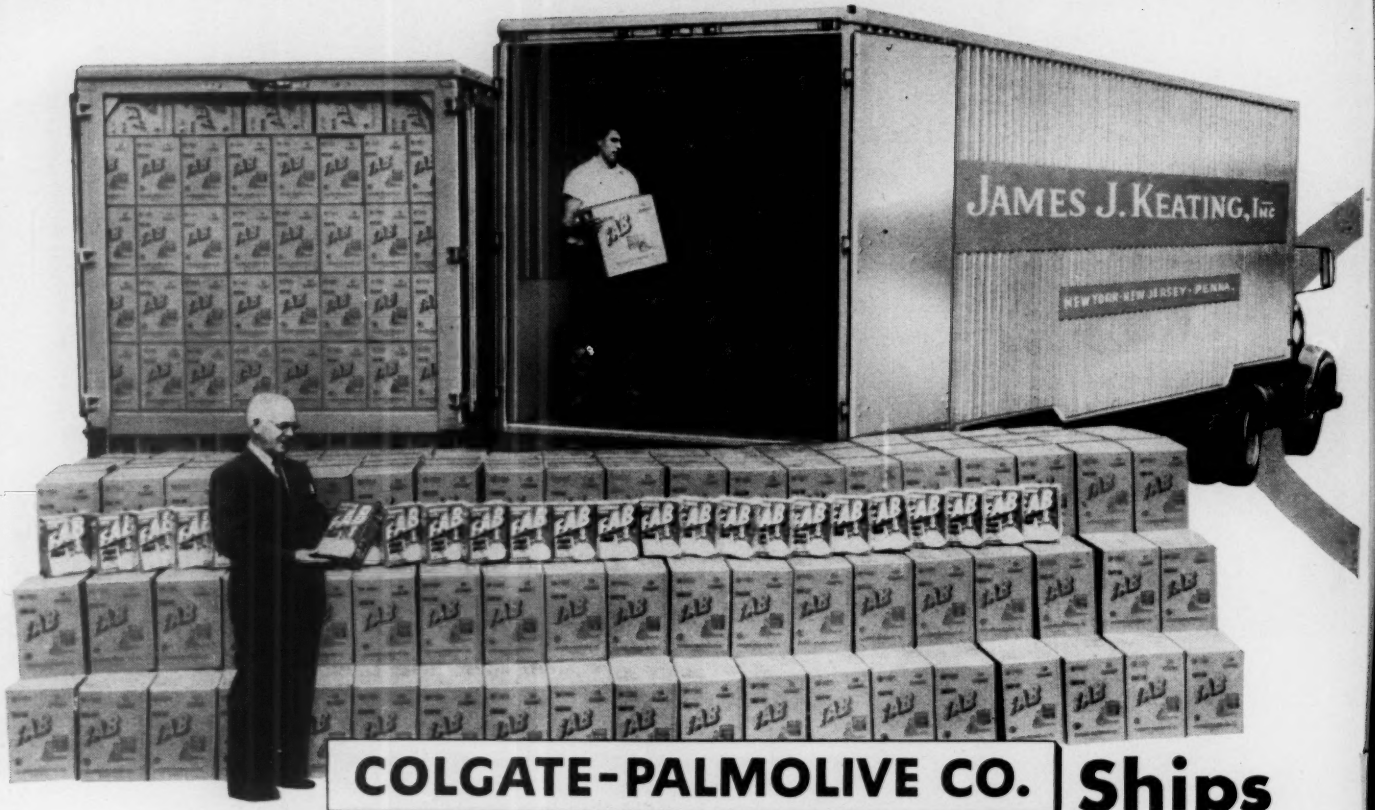
(MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION)



COLGATE-PALMOLIVE CO. Ships

10,000 EXTRA

Colgate-Palmolive Company and other nationally-known manufacturers have learned how to increase their loads and reduce costs by shipping in the Volume★Van

WHY LEAVE 1/3 of a load standing in your shipping room when you could be dispatching it in a Fruehauf Volume★Van? The longer-inside, wider-inside, higher-inside Volume★Van makes it possible for shippers of large-bulk, low-weight items to put bigger shipments on the way!

Investigate for yourself, as shippers of cigarettes, crackers and cookies, household ranges, luggage, paper goods and many other products have done. See, as they have, that the Volume★Van permits you to send heavier weight shipments, save loading time, and reduce your shipping costs by thousands of dollars a year.

It's easy to increase your shipments by 1/3 as Colgate-Palmolive Co. has done. Start saving tomorrow by showing yourself how perfectly suited the Volume★Van is to your particular shipping problem.

World's Largest Builder of Truck-Trailers

FRUEHAUF TRAILER COMPANY

10947 Harper Avenue • Detroit 32, Michigan

☐ Please have your representative call to arrange a Volume★Van demonstration for me.

☐ Please send complete illustrated Volume★Van literature.

☐ Please send full information on the "4000 Series" Volume★Van.

NAME_____

COMPANY_____

ADDRESS_____

CITY_____

STATE_____

☆ *Fill in or attach to your letterhead and mail. There is no obligation.*

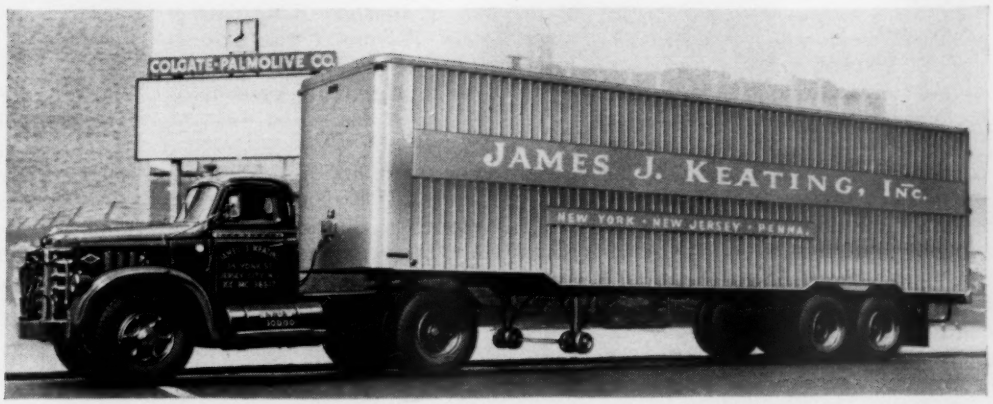
ASK ABOUT THE "4000 SERIES" VOLUME★VAN, NOW READY FOR IMMEDIATE DELIVERY!

289 EXTRA CASES, each containing 10 giant size packages of FAB, will fit into the new Fruehauf Volume★Van already holding the capacity load of a conventional Trailer. Fully loaded, the conventional Trailer carries 851 cases weighing 29,785 pounds. The Fruehauf Volume★Van, while only three feet longer than the conventional Trailer, carries 1140 cases weighing 39,900 pounds—for a payload bonus of 10,115 pounds. Bob Crowley, General Traffic Manager for Colgate, is supervising this loading comparison.

POUNDS OF FAB

In Cost-Cutting FRUEHAUF Volume★Vans

CALL OR WIRE COLLECT TO YOUR LOCAL FRUEHAUF BRANCH OR MAIL THE COUPON BELOW FOR A FREE VOLUME★VAN LOADING DEMONSTRATION.



The James J. Keating Co., a subsidiary of Harbor Transportation and Service Company, uses the Corrugated Aluminum Drop-Frame Volume★Van to ship Colgate-Palmolive products from the main plant at Jersey City, New Jersey. Hauling for the Colgate-Palmolive Co. for many years, the two companies operate a fleet of 65 Trailers—56 of which are Fruehaufs. Colgate operates the world's largest soap plant, and has lately added the new FAB plant.

FRUEHAUF TRAILERS

"ENGINEERED TRANSPORTATION"

Washington Whispers®

[Items appearing on this page are reported in Washington and other news centers]

Reds Sold Arms While Smiling at Ike . . . McCarthy To Enter Primaries . . . Stevenson-Humphrey in '56?

President Eisenhower is advised by his top political aides to delay announcement of his political plans as long as possible. It is beginning to be accepted, however, that Ike will make his announcement by Jan. 20, 1956—his third anniversary in the job.

* * *

Herbert Brownell, Jr., Attorney General, and Arthur Summerfield, Postmaster General, are among Cabinet officials with whom Ike has broached the subject of politics. Official emphasis on denial that politics ever is discussed with the President is getting to be a joke among newsmen at the temporary White House.

* * *

A Thomas Dewey-Milton Eisenhower ticket is beginning to be talked by some Republicans interested in "stopping" Vice President Richard Nixon. Mr. Dewey, however, is pictured by his friends as determined to stay on the side lines.

* * *

Harry Truman, former President, is reported to be determined to keep Senator Estes Kefauver from a place on the 1956 Democratic ticket. A lot of talk of a Stevenson-Kefauver ticket is being generated among Democratic politicians at the moment.

* * *

The Politburo of the Soviet Union is opposed to President Eisenhower's plan for aerial inspection of Russia, as a basis for disarmament, because it would disclose how little industrial strength Russia possesses today in comparison with the United States. This country favors inspection as a way to disclose its great strength.

* * *

V. M. Molotov, Soviet Foreign Minister, and his boss, Nikita Khrushchev, actually were making a deal to supply Communist arms to Egypt while promoting the "Geneva spirit" in their jolly meeting with President Eisenhower at Geneva last July. By the time of the second meeting to nail down the "Geneva spirit," the boats were all loaded with arms and on their way to Egypt.

* * *

High officials of the State Department reveal that William Lacy did not resign as Ambassador to Korea because of any pressure on the American Government by Korea's President Syngman Rhee, but that the Ambassador himself initiated the move as early as last summer, due to reasons of health. Mr. Lacy was scheduled to enter a Washington hospital this week. Officials say that this Government supported Mr. Lacy wholeheartedly through the dispute over taxing American businessmen in Korea and other questions at issue with the Korean Government.

* * *

Capt. Peter Townsend, rejected suitor of Princess Margaret, is reported to have received an undisclosed bequest in the will of the late King George VI. Captain Townsend was a longtime member of the King's staff, became close to the King personally.

* * *

Ezra Benson, Secretary of Agriculture, would discover, if he looked closely, that a number of important Republican Senators are angling to encourage his replacement before the 1956 elections.

* * *

Joseph McCarthy, Wisconsin Senator, is planning to enter presidential-primary contests in Wisconsin and probably in a few other States that may include Massachusetts. Senator McCarthy may embarrass some of the Republican hopefuls.

Vice President Nixon is being advised by some of his friends that, because of his position, it probably would not be wise to enter the presidential-preference primary in California next June. Senator William Knowland, of California, is expected to be in that primary, and a political battle between the two might turn out to be an elimination contest.

* * *

Hubert Humphrey, Minnesota Senator, is being included in the list of potential vice-presidential nominees on the 1956 Democratic ticket. The Minnesota Democrat is getting an increasing amount of attention in the crucial farm States of the Midwest. A Stevenson-Humphrey ticket is one of those talked about.

* * *

Communist leaders of the Soviet Union are setting up Czechoslovakia as their armament subsidiary for peddling arms in places where they will cause the most trouble for U. S. and her allies. This move permits the Soviet leaders to argue that Moscow itself is not in the business of supplying arms.

* * *

An "Industrial Co-operation Council," composed of leaders in top industrial companies, is to be set up with the purpose of selling people abroad on the advantages of private enterprise and to combat distortions by Communists of American purposes and policies.

* * *

Although there is no "split" in the Eisenhower Cabinet on the subject of farm policy, in the sense that there are personal feuds, it is no secret that Cabinet officers do have a good many differing ideas on what to do about the problem of declining income among the nation's farmers.

(Advertisement)

She saw Wausau! A noted magazine Editor-Publisher discovers a city with an unusual name—where even the people and their way of life seem different

Wausau Story

by **ENID A. HAUPT,** *Editor-Publisher of Seventeen Magazine*

"You're a fortunate man," Mrs. Haupt tells Norton Leaps, florist, "to be able to make your livelihood from something you love."

"It's not too big—as cities go. About 30,000 population. But there's a certain spirit about Wausau that's really unique. A 'personality' that's easy to meet and to live with. I sensed it the moment I arrived in town.

"Wausau people have a kind of warmth and down-to-earthness that I like. 'Hominess,' I guess, is the word for it.

"Take Norton Leaps, for instance. He's a friendly, energetic World War II veteran with a knack for flowers. 10 short years ago he started a floral shop and greenhouse. Today he has two greenhouses and will soon blossom out with a third. As we chatted, I could see how happy he was with his work and with Wausau. Obviously, Wausau is equally happy with him.

"But there's another side to this friendly, easy-going attitude of Wausau people. I found that folks up there don't seem to take up fads. They seem to enjoy the freedom of being themselves—not trying to copy someone else.

"Wherever I went in Wausau—on the streets, in the stores, at the television station, the depot, the hotel—I saw more individuality than I've seen in many larger cities.

"At Wausau Senior High School, for example, I met scores of young people. Yet in their dress, manners, and speech—even the way the girls wore their hair—there was no faddishness, no following of a current craze.

Mrs. Haupt visits Miss Kurath's (standing at left) Home Economics class at Wausau Senior High School.

"Later that day, at dinner, I found this same refreshing attitude in the people from Employers Mutuals. I wasn't at all surprised. For they're Wausau people—with a Wausau way of doing things. No wonder they've gained a reputation for being good people to do business with."

Employers Mutuals of Wausau are "good people to do business with"

The "Wausau personality" which Mrs. Haupt discovered is not restricted to Wausau's city limits. The same individualism, the same straightforward desire to do a job right can be found with the folks of Employers Mutuals in any of the 90 cities where we have offices. There's a little bit of Wausau in each of the 48 states!

What fields do we cover? Everything but life insurance. We write all types of casualty and fire insurance—including automobile. And we're one of the very largest in workmen's compensation.

In all of these we think you'll appreciate our fairness and unexcelled service on claims—and our dedicated field force with whom you deal *directly*.

So if you want information on how we can serve your insurance needs, we invite you to phone a local office or write to us in Wausau, Wisconsin. We'll give you the facts quickly and honestly. For that too, is the "Wausau Way" of doing business.

Employers Mutuals *of* Wausau

PEOPLE ★ ★ ★

OF THE WEEK

› AN AUTO EXECUTIVE paints a rosy picture of the industry, looks ahead to "a new and much higher plateau of production and consumption" in the immediate years ahead. **Ernest R. Breech,** chairman of the Ford Motor Company, has disclosed that the firm's earnings in the first nine months of 1955 top any other previous full year.

Mr. Breech joined Ford in 1946—at a time when the company was losing money at a rate estimated at 68 million dollars a year; when it had to scrape the bottom of the till for cash to meet daily operating expenses. He has directed Ford's vast modernization that has enabled the firm, in 10 years, to strengthen its position among the Big Three of the auto industry.

The Ford chairman, 58, started selling autos in his father's Dodge agency in Lebanon, Mo., in 1915. A quick mind for figures led him into the management end of business, won him a position with General Motors. Working up through the GM command, he rose to the presidency of Bendix Aviation Corporation, formerly controlled by GM. Henry Ford II, looking for a top executive to direct the company's postwar reorganization, persuaded him to switch teams.

› JOHN B. HOLLISTER, home from a month-long tour of the Far East, is talking about cutting U. S. economic aid to foreign countries next year. The director of the International Co-operation Administration insists that he is not concerned over reports that Soviet Russia is competing with the U. S. in assisting underdeveloped countries. He says: "You hear all these rumors."

Other high officials in the Administration, however, have let word leak out that they favor increased American aid for Asia and Africa as an answer to Communist activity in those areas. They are said to be worried over reports that Red programs of assistance are under way or being negotiated in Egypt, India, Afghanistan, Yugoslavia, Burma, Indonesia, Jordan, Ceylon and Pakistan.

Mr. Hollister took over as ICA director last June with the comment that he did not know much about foreign aid, would have to do "a lot of homework." An Ohio Republican, he was a law partner of the late Senator Robert A. Taft, served in the House of Representatives from 1931 to 1937. He is 65.

› CENTRAL FIGURE in a drama of political intrigue in North Africa, **Sidi Mohammed ben Youssef** headed back toward Morocco last week from exile on the island of Madagascar. Dismissed by the French two years ago, the former Sultan was expected to resume his throne, re-establish his harem in Rabat, Morocco's capital.

The French have been up to their necks in trouble in the sandy protectorate ever since they booted the Sultan out, set up his uncle as ruler. The uncle, Sidi Mohammed ben Moulay Arafa, abdicated recently and Moroccan nationalist leaders won French consent to the return of their former ruler.

Sidi Mohammed ben Youssef was educated by French tutors, is a student of history. Married at 15, he now has two wives, two sons and four daughters.

The Sultan, in the first 26 years of his interrupted reign, introduced Western methods of education, permitted his daughters to wear Western clothes, drop the veil worn by most Moslem women.

› ARTHUR E. SUMMERFIELD has been trying for three years to get Congress to agree to an increase in postal rates. Three times the Postmaster General has been turned down. Now he is preparing to pop the question again, has won President Eisenhower's support of his new campaign to put the Post Office on a pay-as-you-go basis.

Mr. Summerfield claims that economies put into effect during his administration cut the Department's deficit last year to 350 million dollars from an annual average of about 500 million. However, this saving was offset by a 160-million-dollar-a-year pay increase voted by Congress for postal workers.

The Postmaster General is 56. He was a successful automobile dealer and real

(Continued on page 18)

FOR ONE RETIRING HERO, A STAR; FOR ANOTHER, A BADGE

› TWO WAR HEROES, ending their military careers on the same day, won new honors.

Lewis B. (Chesty) Puller, a veteran of 37 years in the Marines, received the third star of a lieutenant general. It was pinned on him in a simple ceremony at Camp Lejeune, in North Carolina, by Sgt. Maj. Robert L. Norrish, an enlisted man who first served under the General more than 30 years ago.

—Wide World

Gen. Puller, Sgt. Norrish

General Puller led his Marines into some of the heaviest fighting of the Pacific campaign during World War II, later was deputy commander of the First Marine Division in Korea, won the Navy Cross five times.

Across the continent, in San Francisco, Gen. Maxwell D. Taylor, Army Chief of Staff, pinned the Combat Infantryman's Badge on the blouse of **Maj. Gen. William F. Dean,** retiring after 32 years in the service.

General Dean joined his men in front-line combat against the Communists early in the Korean war, was captured, endured three years in Red prison camps. A Medal of Honor winner, he called the Infantryman's Badge the "award that I covet more than anything in the world."

—United Press

Gen. Dean, Gen. Taylor

The passing of "the medicine show"

. . . a hopeful message about ARTHRITIS

Some of us can remember the colorful "medicine show" of yesteryear . . . and the persuasive, but deceptive, oratory of the self-styled "doctor." The remedies he offered were fantastic, especially his "sure cure" for arthritis . . . or rheumatism as it was always called in those bygone days.

Fortunately, the old-fashioned "medicine man" and his "sure cures" are on the way out. This is because nearly all of us now know the folly of relying on any treatment for arthritis other than those authoritatively approved.

This enlightened attitude is all to the good. For arthritis, if it is to be successfully controlled, must be precisely diagnosed and treated according to the needs of each *individual* patient.

Even though there are as yet no specific cures, much can be done for the more than five million people in our country whose cases have been diagnosed as arthritis, in one of its many forms.

For example, *osteoarthritis* or degenerative joint diseases . . . the type associated with aging . . . need not cause severe disability if diagnosed early and if the patient follows the doctor's advice. Indeed, this kind of arthritis usually responds well to treatment based on rest, weight control, mild exercise and avoidance of both mental and physical factors that may aggravate the disease.

Another common type of arthritis . . . *rheumatoid arthritis* . . . is a more serious disease because it involves not only the joints, but the entire body. Moreover, it is not associated solely with old age. Rather it affects people of all ages, most frequently young persons and adults in their prime.

Fortunately, certain hormone extracts and other medications have brought great benefits to many who have this type of arthritis. It is not yet known, however, how permanent the effects of these treatments will be.

The greatest good to be derived from any method of therapy for any type of arthritis depends not upon the doctor alone, but upon the patient as well. It is of the greatest importance for the patient to cooperate fully with the doctor, especially in regard to continuing treatment for as long as it may be required.

In fact, when rheumatoid arthritis is recognized early and treatment is carried out faithfully, well over 50 percent of those who have this condition can be spared serious disability and will obtain marked improvement.

Metropolitan's booklet, called *Arthritis*, gives a concise, helpful and encouraging account of this disease, including safeguards against it. Just clip the coupon below and a free copy will be mailed to you.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
1 Madison Ave., New York 10, N. Y.

Metropolitan Life Insurance Co.
1 Madison Ave., New York 10, N. Y.

Please mail me a free copy of your booklet on Arthritis, 1255-K.

Name _____

Street _____

City _____ **State** _____

estate businessman in Michigan before entering the national political picture as a supporter of the late Wendell Willkie in 1940. He was Republican National Chairman during the 1952 presidential campaign, is expected to have a big hand in mapping Republican policies in 1956.

› **GUATEMALA'S PRESIDENT,** on a state visit to the U. S., is being welcomed this week by President Eisenhower. The visit of **Carlos Castillo Armas** to Denver reflects the Administration's desire to maintain the best of terms with the Central American Republic.

A little more than a year ago Guatemala was in the grip of a pro-Communist clique that looked to Moscow for guidance; that masked corruption and terror with the label of "social reform." An "army of liberation" raised by Colonel Castillo Armas in neighboring Honduras drove out the Red-tinged officials.

Once before—in November, 1950—Colonel Castillo Armas had attempted to seize control. Captured, he was sent before a Red firing squad but escaped with a leg wound. Jailed, he dug his way to freedom through a tunnel.

The Guatemalan President says his regime is aimed neither to the right nor the left, but "up"—meaning a middle course. Object of his U. S. visit: to build confidence in Guatemala and his administration, attract U. S. investments.

› **A BRITISH DIPLOMAT** with a reputation for patience and tact has the ticklish job of dealing with the Red Chinese in speeding the trickle of American civilians from Communist prisons. He is **Con O'Neill,** London's chargé d'affaires in Peiping.

Mr. O'Neill is entrusted by the U. S. State Department with the job of helping the Americans—such as the four released last week—get out of Red China once they are freed. The 42-year-old Briton has been at the West's only listening post in Red China since last July. He is credited with having helped to set up the Geneva diplomatic talks that led to the release of some of the Americans.

The British diplomat is the second son of a Northern Irish nobleman—Baron Rathcaven. In 1938, along with Sir Anthony Eden—now Prime Minister—he quit the Foreign Service in protest against Britain's policy of appeasement. Returning in 1943, he has risen rapidly.

Mr. O'Neill is so highly regarded by the Eden Government that he was able to flout Foreign Office tradition by divorcing his wife, marrying a foreigner—a German. She is the former Baroness Mady Marschall von Bieberstein.

IN MADRID—TALKS; IN GENEVA—SMILES

MADRID: MR. DULLES CHATS WITH GEN. FRANCO

› **JOHN FOSTER DULLES** took advantage of a lull in the Foreign Ministers' talks at Geneva to set a precedent. He flew to Madrid for an official chat with Generalissimo Francisco Franco, became the first U. S. Secretary of State ever to visit Spain.

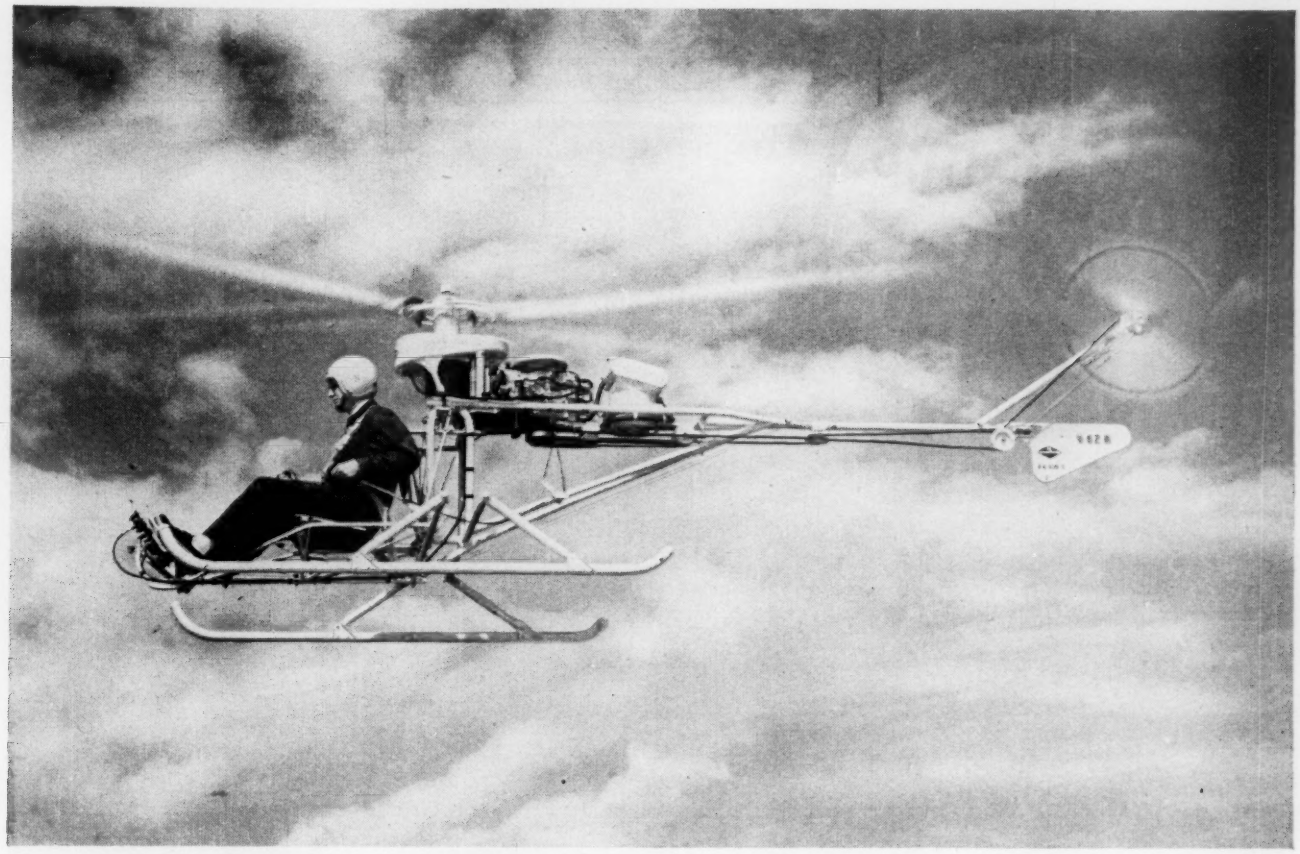
The two officials discussed "the principal problems that affect the peace and security of the free nations," later announced they saw eye to eye on these questions. Although Spain is believed to be seeking additional economic assistance from the U. S., nothing was said on that subject in Mr. Dulles's account of his conversation with the Spanish leader.

In Geneva, meanwhile, Soviet Foreign Minister **V. M. Molotov** kept a smile on his face, talked soothingly in line with Moscow's new "soft" technique—but stood firm on the Kremlin's basic policies.

The chief Russian delegate has the Swiss wondering whether he has a dietary problem or dislikes their cuisine. Every day Mr. Molotov sends a plane to Red East Germany to pick up special food. It could be a security measure.

—United Press Photos

GENEVA: MR. MOLOTOV WATCHES THE SECRETARY LEAVE



Introducing 245 Pounds of *Sheer Flying Magic!*

HERE IS the "Gizmo"—245 pounds of sheer flying magic—designed, built and flown by Goodyear Aircraft Corporation in ten weeks' time.

Today this versatile one-man helicopter may well be the Army's answer to the need for lightweight tactical air transport rescue, and courier liaison work.

The simplicity of its design can be seen at a glance—but picture this, if you can:

It is a complete aircraft that weighs just 245 pounds, including battery and starter—comes packed in a box 21″ x 22″ x 152″—can be assembled in minutes.

It flies an hour on 4 gallons of gas.

It has a top speed of 70 m.p.h., cruises easily at 55.

It performs every maneuver of helicopter magic, including rolling pull-outs, hovering and pattern flight. Should you cut off its power, it will *auto-rotate*—descend to the ground at one-half the rate of a conventional copter!

Here is low-cost practicality, simplicity, performance and safety—in one of the neatest engineered packages of the year—an example of the constant ingenuity applied by Goodyear Aircraft in providing the needs of today's defense *and tomorrow's progress!*

Goodyear Aircraft Corporation, Akron 15, Ohio
Plants in Akron and Litchfield Park, Arizona

GOODYEAR AIRCRAFT

New Materials and Methods for Industry—the result of aeronautical pioneering

THE TOUGH JOBS GO TO TEXACO

Duke Power Company turbines at Riverbend Steam Station, Mt. Holly, North Carolina

DUKE POWER COMPANY CHOOSES TEXACO LUBRICATION

for seventeen of its steam turbines having a total capacity of 1,281,000 kw.! Duke has selected world-famous Texaco Regal Oil as the exclusive lubricant for all 7 of its turbines at Riverbend Steam Station, Mt. Holly, N. C.... 4 at Cliffside Steam Station, Cliffside, N. C.... and 6 at Buck Steam Station, Spencer, N. C. Results? Exceptional operation – no sludge ... no rust ... no foam.

DUKE POWER COMPANY is just one of the many well-known companies which have achieved top results with Texaco. There are three good reasons for this wide acceptance: *field-proven* Texaco Lubricants, developed with the aid of the finest research facilities available ... *field-experienced* Texaco Lubrication Engineers to advise on their use ... and *fast, efficient service* from over 2,000 Texaco Distributing Plants in all 48 States. This combination can help bring production *up* ... and costs *down* ... in every major field of industry and transportation.

One agreement of sale supplies all your plants wherever located. For details, call the Texaco Distributing Plant nearest you, or write The Texas Company, 135 East 42nd Street, New York 17, N. Y.

TEXACO

INDUSTRIAL LUBRICANTS

TEXACO REG. T.M.

'55 PROFITS TO BREAK RECORD

Government Gets Most—Companies and Stockholders Far Behind

For a striking new measure of the business boom, look at the profit figures for 1955.

U. S. companies are earning more money, and paying out more to their stockholders, than in any previous year.

But that is only part of the story.

Government, not businesses or stockholders, is the big gainer from the rise in profits.

Corporations pay more than half their profits in taxes. Stockholders pay further taxes on their dividends. All told, Government gets 63.7 cents out of the dollar of profits.

Profits of American industry, before taxes are paid, will break all records in 1955. After taxes, they will come within a shade of the all-time high set in 1950.

This fact is good news for almost everybody. It means that the Government will get more income from taxes than it expected. It means record dividends for stockholders. At the same time, it means that corporations will have more money to invest in new plant and equipment, thus providing jobs for construction workers, for workers in machinery and machine-tool plants and in many other industries.

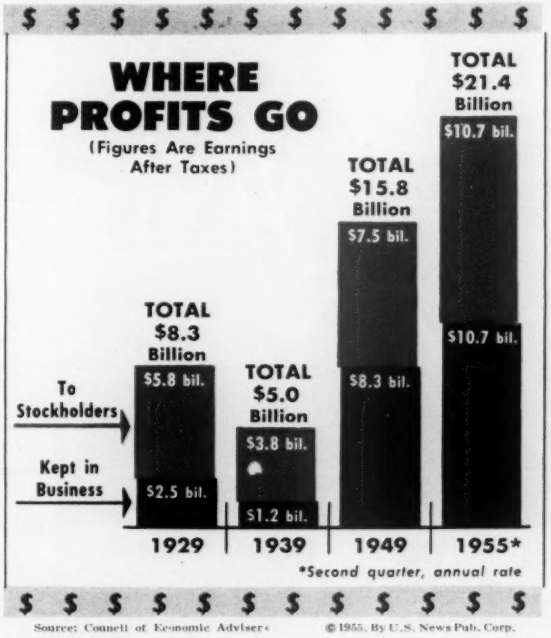
Profits are described as the lifeblood of a free-enterprise system. The profit levels of 1955 disclose that this system is enjoying the best of health at present. Competition is keen, yet business, generally, is very profitable.

How profitable business has been in the first nine months of this year is shown by examples in the table on page 23. When profit statements for the full year are reported, they are expected to be fully as striking as those for the first three quarters of 1955.

GM earns a billion. The automobile industry is having a record-breaking year in production and sales. This industry's biggest firm—General Motors Corporation—will realize more than 1 billion dollars in profits, after taxes. This will be the first time in history that any single company has hit the billion-dollar mark in annual profits.

The steel industry, too, is turning in a startling performance. Profits of U. S. Steel Corporation are running 93.6 per cent ahead of a year ago. Some of the smaller firms in the industry are reporting even greater percentage gains. Similar reports are being made by aluminum companies. The oil industry, a steady earner in recent years, also reports record earnings. Standard Oil (N. J.), the largest firm in this field, is second to General Motors as a profit maker.

The chemical industry, which has been expanding steadily, is reporting substantial gains, led by Union Carbide & Carbon, with 60.6 per cent increase. The biggest firm in this field—Du Pont—reports earnings of 30.3 per cent ahead of a year ago, and Monsanto is up by 41.7 per cent.



Higher profits are general throughout industry. A survey of 451 corporations by the Associated Press indicates that profits, on the whole, are running 32.9 per cent ahead of the first nine months of 1954. Of the 451 firms, only 62 reported smaller earnings than last year and only five reported losses.

Transportation companies are doing exceptionally well. Pennsylvania Railroad reports earnings up 171.7 per cent over the same period of last year, and American Airlines, hit by a strike last year, shows a profit gain of 162.3 per cent. These are sharp gains, but most other railroads and airlines are doing better than the average for industry as a whole. The coal industry, which had a bad year in 1954, is showing marked improvement this year.

These profits are supplying much

of the power that is needed to operate the company's economic system and to meet the costs of Government.

What Government gets. The Government, in fact, derives the largest benefit from profits, larger by far than industry keeps for itself or than stockholders receive in dividends. Total profits this year are likely to exceed 43 billion dollars, before taxes, topping the previous record of 41.2 billion in 1951. Of these earnings, direct taxes on companies are expected to claim at least 21.6 billion, or more than half. But the Government's tax bite doesn't stop at the levy on company profits. Stockholders, too, must pay individual income taxes on the dividends that they receive.

On the average, it is estimated, the income tax that applies on dividends is 46 per cent. That takes into consideration both low-bracket and high-bracket taxpayers. When that is added to the tax on corporate earnings, the Government gets an estimated 63.7 per cent of the total, leaving only 36.3 per cent for the companies and their shareholders.

The Government, in other words, has climbed up until it is the dominant partner in American industry. That situation has prevailed ever since the Korean war. Corporate income taxes, in fact, are higher now than during World War II, except for those companies that paid wartime excess-profits taxes. This year the Government stands to collect more taxes from profits than in any year during World War II.

—Costello in the Knickerbocker News

STEPPING INTO '56

. . . good news for almost everybody

It is the present prosperity of American industry, and the Government's share in that prosperity, that promises to bring the federal budget close to balance in the year that ends next June 30. It is this prosperity, too, that provides grounds for expected tax cuts next year.

Heavy taxes, however, still are not preventing corporations from keeping a large volume of dollars. The chart on this page shows how after-tax earnings have increased in postwar years. At present, these earnings are running at a record rate and probably will go higher in the fourth quarter. For the year as a whole, however, profits, after taxes, are expected to be lower than the 22.1 billions realized in 1950, when the start of the Korean war touched off inflation.

Corporations this year have been splitting their after-tax earnings about 50-50 with stockholders. They are using their half of profits after taxes to reinvest in business operations. This is a more generous division than during the immediate postwar years—1946 through 1951—when corporations held back a larger share of earnings than they distributed to stockholders.

Expansion and improvement. Those retained earnings play an important part in the expansion of industry that has marked all of the postwar years. Since 1950, industry has never invested less than 25 billions a year in new plant and equipment. At present, the rate is running more than 29 billions a year and gives every sign of continuing next year in very high volume.

This means that industry not only is expanding to supply the needs of a growing population at a rising standard of living, but also is providing current jobs and incomes in the process. The money spent for expansion and improvement is contributing importantly to the building boom and keeps plants busy making tools and machinery. The recent trend toward automation, which has drawn the attention of Congress, and the huge

Source: Through 1st half, 1955, Commerce Dept.; 3d quarter, 1955, estimate by USN&WR Economic Unit

Photo—H. Armstrong Roberts

investment in research are being financed largely from the resources of industry itself.

In 1953, for example, corporations, excepting banks and insurance companies, needed 26.9 billion dollars in new money, of which 23.8 billion was for plant and equipment. To get this sum, companies tapped depreciation reserves for 11.5 billion and reinvested 6.9 billion from retained earnings. A total of 4.9 billion was raised through selling bonds and only 2.3 billion came from issuing new stock. The remainder came from bank loans, mortgages and other forms of borrowing.

This pattern of financing has been typical of postwar years. Earnings are being used primarily to meet the demands of the tax collector and to pay the expenses of growth and improvement. Stockholders stand third in line.

This division of earnings is a marked change from earlier years. In 1929, another boom year, corporations earned 9.6 billions before taxes, paid a modest 1.4 billions to the Government and distributed 5.8 billions to stockholders. In 1937, a relatively good year, profits came to 6.2 billions, out of which taxes took 1.5 billions and stockholders got the remainder. In that year, however, there was a tax on undistributed profits.

Stockholders, even so, are to reap the largest harvest of dividends in history this year. The outlook now is for dividend payments of close to 11 billion dollars. That will be almost double the payments of 1929, the best prewar year, and about 1 billion dollars higher than payments in 1954, the previous top year.

Stockholders' "real" take. When it comes to measuring dividends against tax increases and price rises, however, they become less impressive. The 10 billion dollars that stockholders received last year, for example, shrinks to about 5.4 billions after taxes on those dividends have been paid. When you translate this into terms of 1929 purchasing power, stockholders received less than in 1929, in spite of the higher volume of business activity.

It is doubtful, however, that stockholders can expect to receive a much larger share of earnings than they are receiving now. In discussing next year's taxes, Congressmen and Administration officials both emphasize that the individual taxpayer rather than the corporation will get most of the benefit from any cuts. Corporations also are reporting daily that they are far from ending their plans for expansion and improvement. This means that the flow of profits into Government and into industrial growth is likely to continue.

Stockholders, as a result, are likely to be asked to remain content with approximately a fourth of what their companies earn each year.

'55 Profits: Up for Most Companies

(net earnings, after taxes)

Company	1954 (1st 9 months)	1955 (1st 9 months)	Percentage Change
General Motors	$584,915,125	$912,887,537	UP 56.1%
Standard Oil (N. J.)	$438,000,000	$523,000,000	UP 19.4%
Texas Co.	$151,880,195	$189,767,006	UP 24.9%
Gulf Oil	$121,867,000	$145,287,000	UP 19.2%
Socony Mobil Oil	$128,000,000	$145,000,000	UP 13.3%
Phillips Petroleum	$ 55,614,539	$ 65,189,370	UP 17.2%
Continental Oil	$ 31,337,000	$ 34,455,000	UP 9.9%
Atlantic Refining	$ 26,372,000	$ 24,407,000	DOWN 7.4%
U. S. Steel	$138,174,974	$267,506,943	UP 93.6%
Bethlehem Steel	$ 84,453,837	$122,689,308	UP 45.3%
Inland Steel	$ 26,293,646	$ 36,437,815	UP 38.6%
Jones & Laughlin Steel	$ 16,534,000	$ 34,835,000	UP 110.7%
Youngstown Sheet & Tube	$ 13,544,697	$ 29,247,179	UP 115.9%
Allegheny Ludlum Steel	$ 2,438,558	$ 10,431,166	UP 328.3%
Du Pont Co.	$223,797,063	$291,603,652	UP 30.3%
Union Carbide & Carbon	$ 63,145,879	$101,436,489	UP 60.6%
Allied Chemical & Dye	$ 31,915,511	$ 39,376,583	UP 23.4%
Olin Mathieson Chemical	$ 26,700,000	$ 32,500,000	UP 21.7%
U. S. Gypsum	$ 24,158,479	$ 30,132,566	UP 24.7%
American Cyanamid	$ 20,697,317	$ 27,254,087	UP 31.7%
Monsanto Chemical	$ 16,635,642	$ 23,581,647	UP 41.7%
General Electric	$136,191,000	$141,359,000	UP 3.8%
Westinghouse Electric	$ 62,644,000	$ 43,839,000	DOWN 30.0%
Aluminum Co. of America	$ 30,761,101	$ 55,779,745	UP 81.3%
National Lead	$ 25,776,390	$ 34,207,846	UP 32.7%
Reynolds Metals	$ 14,804,324	$ 25,903,583	UP 75.0%
Eastman Kodak*	$ 46,958,693	$ 57,982,467	UP 23.5%
Pennsylvania R.R.	$ 11,827,239	$ 32,133,860	UP 171.7%
Radio Corp. of America	$ 27,557,000	$ 30,995,000	UP 12.5%
Libbey-Owens-Ford Glass	$ 17,785,724	$ 26,984,159	UP 51.7%
R. J. Reynolds Tobacco	$ 34,467,000	$ 40,975,000	UP 18.9%
Liggett & Myers Tobacco	$ 16,439,000	$ 18,686,000	UP 13.7%
American Can	$ 24,607,762	$ 28,932,161	UP 17.6%
Continental Can	$ 17,154,345	$ 20,149,229	UP 17.5%
Caterpillar Tractor	$ 19,483,386	$ 24,481,994	UP 25.7%
Allis-Chalmers	$ 19,323,469	$ 18,146,517	DOWN 6.1%
American Airlines	$ 5,466,000	$ 14,337,000	UP 162.3%
Rockwell Spring & Axle	$ 7,868,226	$ 12,347,934	UP 56.9%

*36 weeks to September 4.

IF WAR COMES TO MIDDLE EAST—

Israelis Could Win Now, but Time Favors the Arabs

Timing is the big factor if hit-and-run raids in the Middle East explode into war. That's the way military experts see things.

It's almost a standoff in fighting strength between Israel and the Arabs. Training and skill give Israel the edge now.

Balance may shift once the Arabs load up on Communist arms and learn to use them. The figures on both sides show why.

JERUSALEM

Looking into the growing threat of another major war in the Holy Land, you get this military size-up of the two opposing camps:

• Israel, heavily outnumbered by the Arab countries ringed around her borders, has the finest fighting machine in the area. Once the alarm sounds, the Israeli Army can put in the field a force of 250,000 skilled and well-armed troops in 48 hours.

• The Arabs are rapidly improving their armament with Communist-supplied weapons. But they lack the fighting prowess that comes with rigid training, discipline and a well-co-ordinated command. They also lack the technical skill required for modern weapons.

• Sudden war at this stage probably would be won by Israel.

That is the appraisal of neutral military specialists in the area. One of them estimates that Israeli forces not only could defend their homeland, they could overrun and occupy the three Arab capitals of Cairo, Baghdad and Damascus within six weeks. Another says it would take five years, at least, for the Arabs to put in the field a force as effective as that which Israel can mobilize in two days.

What the experts come up with is this: Israel has the military advantage if there is an early war. But that advantage will wither if the situation drags on. The delivery of modern Czechoslovakian arms to Egypt threatens to alter the entire military balance in the area. As one observer puts it:

"With the tanks, jet aircraft and other heavy equipment promised by Russia, the Egyptians might later be able to overrun Israel with sheer mass—weight of numbers and armament."

The feeling is growing in Israel that a showdown with Egypt may become unavoidable as the result of the Czech-arms deal. The country is charged with a sense of crisis and imminent disaster. And there is no doubt in anybody's mind that a war between Israel and Egypt would quickly bring other Arab nations—Jordan, Syria, Lebanon, Iraq—into the fighting.

The power inventory. Country by country, the forces on both sides measure up this way:

Israel has about 50,000 men and women in active service, with 200,000 in reserve who are well trained and immediately available. The Army has an undisclosed number of French MX tanks, with 75-millimeter guns, and of U. S. Sherman tanks. The troops are being re-equipped with standard, modern arms. The infantry is being supplied with semiautomatic rifles that increase firepower.

Experts estimate Israel's air strength at more than 100 planes—British Meteor jets, U. S. F-51 Mustangs, and Mystere jets recently bought in France. Many of the Israeli pilots served with the British or the Americans in World War II.

Egypt is the strongest of the Arab states. The active forces number about 90,000 men. Although not first-class in morale and training, they have improved since Col. Gamal Abdel Nasser became Prime Minister and weeded out the deadwood. Egypt claims a National Guard of 300,000, but neutral experts say it actually has about 50,000 and is not effective.

Without counting the Czech arms now being delivered, Egypt has more than 200 tanks, including about 100 U. S. Shermans, several British light tanks and 30 postwar Centurions from Britain. The air arm has 75 to 80 British planes—Vampire and Meteor jets and Halifax bombers. Communist weapons could double Egypt's stockpile of heavy equipment.

Jordan's Arab Legion, 20,000 strong, is considered the best fighting force in the Arab world. Under a treaty, this force at present is commanded by a British general, many of its units are headed by British officers, and financial help is received from Britain.

Iraq's armed forces total about 50,000 men, and experts say they are superior to the Egyptian troops in morale and training. The Air Force has about 25 planes.

—United Press

EGYPTIAN TROOPS ON THE GAZA STRIP
Under Prime Minister Nasser, they're improving

Syria has about 35,000 men under arms, but they are not considered effective. The Army is badly organized and riddled with politics. The Air Force has fewer than 25 planes.

Lebanon's Army contains 7,000 men, well trained and ably led. The Air Force has six Vampire jets and three old Italian bombers.

Saudi Arabia has virtually no armed forces capable of waging modern warfare, but it is immensely wealthy. If Saudi Arabia joins with the other Arab states in fighting Israel, its main role is expected to be that of banker.

Where Israel excels. As this line-up shows, the two sides now appear to be rather evenly balanced. If Israel is slightly

(Continued on page 26)

LINE-UP IN MIDDLE EAST STRUGGLE

ISRAEL

POPULATION: 1.5 million

ARMED FORCES: 250,000, including highly trained Reserve of 200,000

EQUIPMENT: Fairly modern, some tanks and jet planes

EGYPT

POPULATION: 22.5 million

ARMED FORCES: 140,000, including poorly trained National Guard of 50,000

EQUIPMENT: 90 planes, mostly British jets, and 200 tanks in service; new, up-to-date arms being supplied by Soviet bloc

LEBANON

POPULATION: 1.3 million

ARMED FORCES: 7,000, well trained

EQUIPMENT: Some modern, including 6 British jet planes

SYRIA

POPULATION: 3.7 million

ARMED FORCES: 35,000, poorly trained and equipped

IRAQ

POPULATION: 5 million

ARMED FORCES: 50,000, fairly well trained

EQUIPMENT: Mostly British

JORDAN

POPULATION: 1.5 million

ARMED FORCES: Arab Legion of 20,000, well trained; equipped and led by British

SAUDI ARABIA

POPULATION: 6.5 million

ARMED FORCES: None trained for modern warfare

In Summary:

Arab population outnumbers Israel's nearly 27 to 1.

***But*—Armed forces are equal in size; and Israeli training and morale are generally superior.**

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[continued]

IF WAR COMES TO MIDDLE EAST—

inferior in numbers and armament, this disadvantage is offset by several intangibles, including higher standards of health and education, superior organization, greater technical know-how and better training.

Every young Israeli over 18 years of age is called up for military service. The men serve for two and a half years, the women for two years. Then the men go into the Reserve for 28 years and the women for 14 years. All spend one month of each year in training and are subject to immediate call in an emergency. Training is also obligatory for older immigrants who never have done conscript duty.

Every able-bodied man under 50 in Israel, thus, is a trained reservist. He is assigned to a particular mobilization center, where his equipment is waiting for him. As one foreign observer says: "Israelis are soldiers on leave for 11 months in the year."

In a matter of 48 hours, Israel can mobilize virtually its entire population for combat or other military duties. The Arabs, on the other hand, although in population they outnumber the Israelis about 27 to 1, can mobilize only a fraction of their people.

Military experts say the Israelis' higher standards of technical know-how help them to overcome the Arabs' superiority in equipment. They cite the manning of tanks as an example. Egypt's Centurion tanks are better than the Sherman tanks which the Israelis got out of World War II scrap dumps in Europe. But the capabilities of a tank's crew have a lot to do with its effectiveness. One neutral observer puts it this way:

"An Israeli crew operating a Sherman can easily take on an Egyptian crew operating a Centurion, which is much heavier and better armed."

Another of Israel's intangible advantages is its unified planning and preparation for defense. Every unit knows what it must do, and where, if war begins. These emergency plans have been acted out in maneuvers.

Arabs: No joint plans. The Arab world is sorely lacking in co-ordinated planning of this kind. If war breaks out tomorrow, Egypt will not know what Jordan will do, nor will Jordan know what Syria is ready to do. None of them will know what Iraq has in mind. During the 1948-49 war between the Israelis and the Arabs, there was virtually no liaison among the Arab armies, and in some cases there were deliberate lack of co-operation and even downright hostility. There is nothing to indicate that the situation would be much different now.

Dynastic rivalries and acute political differences that prevented joint military planning during the earlier war against Israel still exist. Egypt has been blocking the forming of an Arab Supreme Defense Council by insisting that the supreme commander be an Egyptian—an idea that the other Arabs don't like. The new defense agreement between Egypt and Syria is a start toward co-ordinated planning, but it is still in the paper stage. Some observers believe its main purpose is to enable Syria to get Soviet arms through Egypt.

Israel's back to wall. Perhaps the most important advantage of the Israelis, however, is the fact that their troops think in terms of fighting against extermination, since they have no avenue of retreat. This makes for extraordinarily high morale and spirit of sacrifice. The Arab is not motivated by a similar sense of desperation.

Israel, in fact, looks upon the arms race that has been touched off by the Soviet deal with Egypt as a life-and-death struggle. No Israeli official is willing to trust to luck and assume that Egypt, once it mastered the use and maintenance of Soviet arms, would not embark on a war on Israel.

"We must assume precisely the contrary," one Israeli official commented. "The Egyptians declare that they are now preparing for a war of extermination against us. We must take them at their word."

With this war feeling in the air, Western diplomats are watching two spots that they believe may become the "trigger points" for full-scale fighting. One is the Gulf of Aqaba, which touches Egypt, Israel and Jordan and which Egypt is blockading. An attempt to break the blockade could start the war.

The other "trigger point" is the Jordan River between Israel and Syria. The two countries have been at odds for years over plans to build a hydroelectric plant and to divert water for irrigation. Israel has accepted a settlement worked out by Eric Johnston, special mediator sent by the U. S., but Syria has refused. Israelis say now that, if Syria doesn't approve by next March, they'll resume construction and will be ready to fight back if Syria makes trouble.

As neutral experts size up the outlook, Israel is likely to win the war if it comes within the next year. But, if the war is postponed long enough and Soviet-bloc arms give the Arabs superiority, Israel may find itself on the losing end of a fight for survival.

—Israeli Office of Information

ISRAELI TANKS ON MANEUVERS

. . . their power is in the know-how of the crews

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WESTERN UNION

WHY THE FARM VOTE WORRIES REPUBLICANS

Can unhappy corn-hog farmers swing next year's presidential election to the Democrats? It's a question that is worrying Republicans more and more.

Lower hog prices and farm incomes make for uncertainties in the Midwest. As in 1948, farm States, if won, plus the South would give the Democrats an almost decisive advantage. Republicans fear it might happen again.

Discontent in the farm belt is throwing a scare into Republican leaders. With nearly a year to go until election time, these leaders are contemplating a possibly ruinous loss of votes in that area.

The eight States shown on the map on page 29 are getting particular attention. These States cast 131 electoral votes. If the Democratic candidate should win a substantial number of these votes and add them to the normal Democratic total in the South, he would be within striking distance of winning. It happened that way in 1948.

The discontent results from sagging farm prices, declining farm incomes. This is especially true in areas where corn-hog farming is important. All eight States lie in this category. Hog prices, the barometer of good or bad times for such sections, have declined steeply.

As a result, the Democrats are hoping they may score heavily in these States. A recent Gallup Poll reported that only 20 per cent of Midwestern farmers are satisfied with Republican farm policies. A later survey revealed, however, that, apparently because of prosperity in the cities, Republicans now would poll 52 per cent of the Midwest's vote in a congressional election. That's what they got in 1954.

Against this background, politically sensitive members of the Eisenhower Administration have been urging Government action, quickly and positively, to help the farmers. Vice President Richard M. Nixon has been aware of the problem as acute and growing, at least since mid-summer.

Surprise. Those who want action are not forgetting what happened in 1948. That was the year of President Harry S. Truman's astonishing victory. An unpredicted farm movement away from the Republican Party is considered the key to what occurred.

Over all, it was a prosperous year for agriculture, and the farm vote was considered traditionally Republican when things were good. Both the Democratic Administration and the Republican Congress claimed credit for the good times, however, and there were irritations that many farmers attributed to the Republican Congress.

As a result, Mr. Truman carried six of the eight States shown on the map—Illinois, Iowa, Minnesota, Ohio, Wisconsin and Missouri—and missed very narrowly in Michigan and Indiana. The six corn-hog States that he took gave him a total of 101 electoral votes. Since the 1950 census, these six States have been cut back to 98 electoral votes.

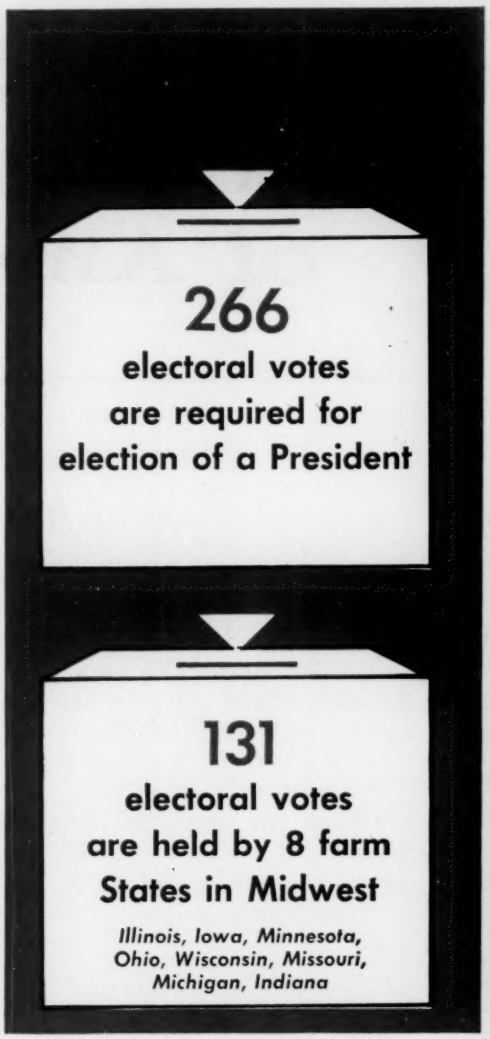
Because of the States' Rights revolt, Mr. Truman won only 88 Southern electoral votes. These, with the farm States, brought his total to 189—still 77 short of the 266 Electoral College votes necessary for election. Six additional States—California, Massachusetts, Kentucky, Oklahoma, West Virginia and Washington—were enough to put him over, but Mr. Truman went on to win elsewhere too, and his final electoral total was 303.

Lesson. Thomas E. Dewey received 189 electoral votes. The lesson for 1956 is that, if the six farm States that Mr. Truman carried had gone Republican, Mr. Dewey would have won.

As all this applies to next year's election, politicians foresee, first of all, a South solidly Democratic. No revolt, such as occurred in 1948 and 1952, now is expected. This means that the Democratic candidate can count on all of that region's 128 electoral votes.

To this traditional Democratic backlog, various combinations of States might be added. The most obvious grouping right now is the hog-corn belt. Traditionally, it has been the mainstay of the Republicans, much as the South has been that of the Democrats.

If the Democratic candidate should carry only a few farm States, his problem would be much eased, that of the Republicans increased. The populous States with big electoral votes, New York, New Jersey, Pennsylvania, Massachusetts and California, would be more important than ever.



Should the Democratic nominee add the 98 votes of the six corn-hog States Mr. Truman carried in 1948 to a solid South, he would be 40 electoral votes short of election. If he took them all, he would need seven more, with Eastern, Western and Border States still to be heard from.

With the South behind it, the Democratic Party can win a presidential election without carrying the farm States, by scoring in the Border States that often go Democratic and carrying a few of the big-city States. If the Republicans face a prospect of losing both the South and the farm belt, politicians would consider the Republican problem highly serious, very difficult.

Voting trends. In the face of this situation, with its emphasis on the corn-hog region, both Republicans and Democrats are studying indicators of voting trends in that area. Four additional farm States, Kansas, Nebraska and the Dakotas, are considered safely Republican.

Dwight D. Eisenhower's overpowering triumph in 1952 brought all the farm area

The Farm Belt: KEY TO 1956 ELECTION?

IN 1948, Democrat Truman won 6 of these States, with 98 electoral votes—

IN 1952, Republican Eisenhower won all 8 of these farm States, with 131 electoral votes

IN 1956, will farmers revolt, switch again to Democrats as they did in 1948?

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back into the Republican column. Of six Senate contests in the eight States on the map, five were won by Republican candidates. The Eisenhower victory brought with it, however, no notable shift in the political make-up of House delegations from the corn-belt section.

Then, in 1954: Democrats won three of five Senate-seat contests in the area. They triumphed in Michigan, Illinois and Minnesota and came very close in Ohio. There, Senator George H. Bender (Rep.) won by 6,000 votes out of a total of 2.5 million that were cast.

In the 1954 congressional elections, as compared with 1952, Republican candidates suffered greater losses in the Midwest than in any other area. Democratic candidates picked up 11 formerly Republican House seats in the eight-State area. Meanwhile, too, the Republican percentage of the total congressional vote declined in each of the eight States.

Even allowing for the usual mid-term trend to the party out of power, Democrats are very happy about these figures, especially the 1954 House contests and percentages. They project them into 1956 as foreshadowing, in the farm belt, Democratic victories that they think will win the election nationally.

Problem farmers. Whether or not these Democratic predictions are borne out, those who have toured the corn-hog States report that the farmers are fearful of the future, have become a real problem for the Republicans.

Country-wide, net farm income is estimated at 8.4 per cent less than in 1954 and 27.5 below the postwar peak year, 1948. On corn-hog farms, the drop is much more precipitate—23.4 per cent less than last year, 50 per cent below the postwar peak. Farm economists see little prospect of any marked improvement in 1956.

In the corn-hog area there is little distress, no wave of foreclosures. But the farmers are pinched by slipping prices of the things they sell and rising costs of the things they must buy. In many cases, it is said, they are having to dip into reserves, increase their mortgages or go into debt for new equipment. A few years ago they were paying cash.

All this does not necessarily add up to an organized farm revolt in 1956, but a growing irritation is apparent in the area. The corn-hog farmers think the Government should move in and help them. The farmers still like Ike, but complain that his Administration has been slow to recognize their plight.

There are fewer farmers than in previous years. But they still can be a balance of power in the highly important corn-hog States. Mr. Truman demonstrated that in 1948.

Realistic Republican leaders acknowledge that keeping these States in line next year may prove a real problem, and they wonder, worriedly, whether the farm belt may snatch another presidential election from their grasp.

A size-up of one plan to help th farmer—the "soil bank" idea—starts c. page 30.

WHAT'S THIS "SOIL BANK" IDEA?

The Plan Is to Rent Acres, Not Use Them

Farmers' interest is centering, increasingly, in something called a "soil bank" plan.

The idea is this: The Government rents part of each farm, pays the farmer a fee, takes the land out of production.

Result, in theory: Less land being farmed, fewer surpluses, higher prices for remaining crops. But hurdles remain.

DES MOINES, Ia.

Odds are growing that Congress in 1956 will approve a new plan to help deal with the farm problem. The plan now in political favor calls for building a "soil bank," of farm land taken out of production.

The soil-bank idea is catching on with farmers. It is being viewed with favor by both Republican and Democratic Senators who have been touring the farm belt to sample opinion. It is said to have appeal for urban voters, too.

Ezra Taft Benson, Secretary of Agriculture, is far from convinced that the plan is the answer to the farm problem, but, unless vetoed by the President, it is a plan Mr. Benson may be called upon to administer, in another year.

The idea is to have the Government rent part of each farm and retire the rented acres from production—put them in a soil bank. These idle acres could not be used, even for pasturing livestock or making hay. Amount of rental payments to farmers could reach 1 billion dollars a year or more.

Plans now shaping, with strong political support, are to apply the soil-bank idea as an addition to farm programs currently in operation. The chart on pages 30 and 31, illustrates what this would mean on a corn-belt farm.

Before present control programs went into effect, the operator of this typical farm planted, on the average, about 100 acres of corn and 30 acres of wheat. His total of 220 acres was rounded out with other crops.

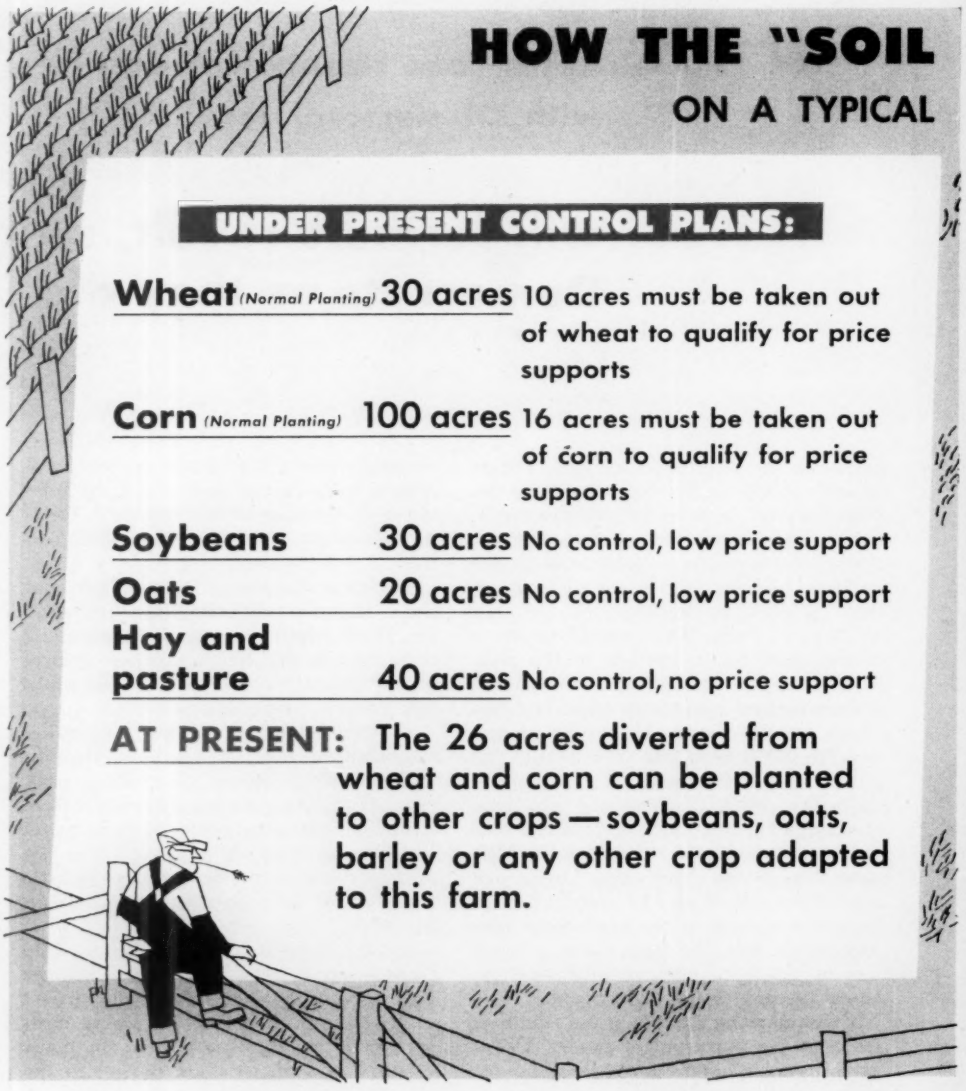
Under the present program to curb surpluses, the farmer must cut his corn acreage by about one sixth and his wheat acreage by about one third. This means taking 16 acres out of corn and 10 acres out of wheat, a total of 26 acres.

But the farmer, like any manufacturer, doesn't want to let part of his plant lie idle. So he shifts the 26 acres taken out of wheat and corn into crops on which there are no acreage curbs. As a result, surpluses are building up in virtually every crop that farmers produce.

The soil-bank proposal enters at this point. The plan, according to its advocates, would halt the build-up of surpluses by keeping the acres diverted from wheat and corn completely out of production.

These diverted, "surplus" acres would be planted to grasses and soil-building plants, such as clover and alfalfa. Fertility would be "banked" in the soil. Present soil-conservation payments would help pay the cost of planting this soil bank. The bank would be fenced off, literally, from the rest of the farm so that no livestock could graze on it. Even if the farmer were short of feed, he could not go onto these idle acres to cut hay.

In return for establishing this soil bank, the farmer would get a payment of so much an acre, direct from the Government. This would prevent his income from dropping as a result of the cut-


HOW THE "SOIL
ON A TYPICAL
UNDER PRESENT CONTROL PLANS:
Wheat (Normal Planting) 30 acres
10 acres must be taken out of wheat to qualify for price supports
Corn (Normal Planting) 100 acres
16 acres must be taken out of corn to qualify for price supports
Soybeans 30 acres
No control, low price support
Oats 20 acres
No control, low price support
Hay and pasture 40 acres
No control, no price support
AT PRESENT: The 26 acres diverted from wheat and corn can be planted to other crops — soybeans, oats, barley or any other crop adapted to this farm.

back in production caused by keeping the diverted acres idle.

Farm income would be bolstered further, say those who are pushing the plan, by the fact that price-depressing surpluses would be cut down, thus boosting prices in farm markets.

The idea's appeal to urban voters is based on the banking of fertility in the soil where it would be available in future years to meet emergencies, such as war or drought, or the needs of a rapidly expanding population. Nonfarm people, it is held, would consider this sounder than the present program under which billions of Government dollars are tied up in surplus farm commodities stored in bins and warehouses.

Advantages. Midwestern farm politicians see in the soil-bank plan three big advantages: a shot in the arm for farm income; a way to reduce the hoard of surplus farm products; an appeal to urban voters.

Noting these points, Republican and Democratic politicians alike now are scrambling to get the stamp of their party on the plan. Republican Senators and Representatives, especially in the corn and wheat belts, are putting pressure on Secretary Benson to back the plan.

But Mr. Benson and his top aides, if not completely cold to the idea, are no more than lukewarm. Under Secretary of Agriculture True D. Morse has questioned "whether Government payments should be made at the high levels necessary to make the program effective." However, economists in the Department are known to be studying at least a dozen different versions of the plan.

Cost. Estimates of the cost to taxpayers range from 200 million dollars to 1.5 billion annually. Some versions of the plan would pay the farmer a percentage of the appraised value of the land taken out of production. Others would pay only interest and taxes on the idle acres. Still others would reimburse the farmer on the basis of the average production of the land.

The Iowa Farm Bureau soil-bank proposal, which was recommended to the touring Senate Agriculture Committee, stipulates that farmers should get 5 to 7 per cent of the appraised value of land taken out of production. This would mean from $15 to $25 an acre for the good soil areas of the corn belt. Total cost of the program for the nation as a whole, according to the Iowa organization, would run somewhere between 500 million and 1 billion dollars.

Skeptics. Those who share Mr. Benson's skepticism about the idea say that its ability to curb surpluses has been oversold. They maintain that farmers will produce about as much on fewer acres, by retiring their poor land to the soil bank and giving their good land more attention and fertilizer.

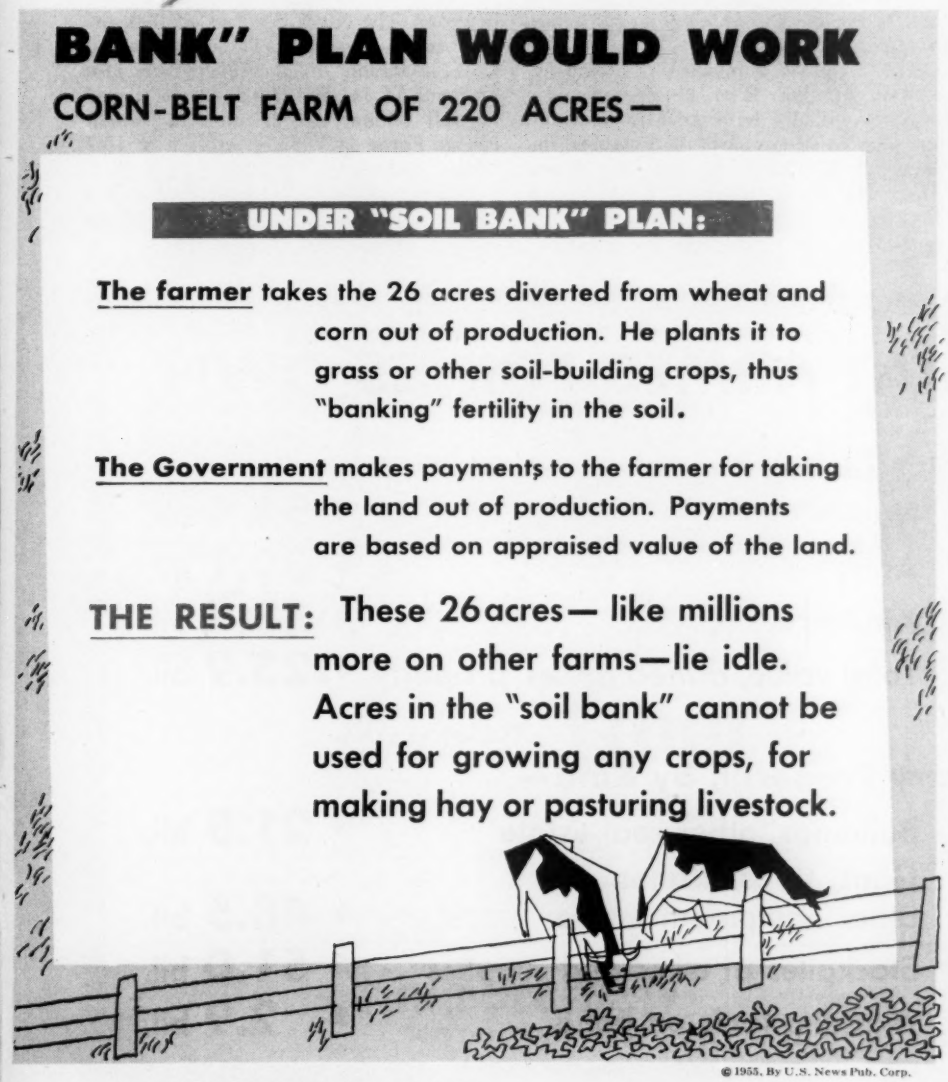
These critics say the soil-bank idea is nothing more than a refinement of a New Deal farm plan of the 1936-38 period, under which farmers were paid by the Government to put land into soil-conserving crops. During that period, crop-production figures show, supplies of wheat and cotton increased.

Advocates of today's soil-bank plan say, however, that it has been improved in that the acres taken out of production must be kept completely idle. The president of the Iowa Farm Bureau Federation concedes that farmers would step up production per acre. However, in his opinion, if 20 per cent of the nation's crop land were put in the soil bank, there would be a 10 per cent cutback in farm production over a three-year period. This, he feels, would give the Government time to get the surplus stockpile down to manageable size.

Policing the soil bank. The plan also is attacked on the ground that it would be hard to police. "Who is going to go up and down farm roads to make sure the cattle don't break through fences and eat grass off the soil-bank acres?" asks one critic.

Another point of disagreement is over just how much the plan will do to firm up sagging farm income. Farm expenses such as taxes, interest and machinery costs will go on, say the critics, even though part of the farmer's land is idle. And, if there is no reduction in surpluses, income will not be bolstered by higher farm prices.

In the Midwest, however, there is agreement on one point: The soil-bank idea, more than any other cure now proposed for farm ills, has caught the imagination of farmers, farm leaders and politicians in an area that may hold the key to victory in the 1956 presidential election.


BANK" PLAN WOULD WORK
CORN-BELT FARM OF 220 ACRES—
UNDER "SOIL BANK" PLAN:
The farmer takes the 26 acres diverted from wheat and corn out of production. He plants it to grass or other soil-building crops, thus "banking" fertility in the soil.
The Government makes payments to the farmer for taking the land out of production. Payments are based on appraised value of the land.
THE RESULT: These 26 acres— like millions more on other farms—lie idle. Acres in the "soil bank" cannot be used for growing any crops, for making hay or pasturing livestock.

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The Armed Forces—

AMERICA'S BIGGEST BUSINESS

Equipment, $102 Billion . . . Real Estate, $22 Billion

Just how much actual strength does the U. S. have to back up its stand at the latest East-West talks at Geneva?

In this article, you get a measure of that strength—an account of surprising, massive stockpiles of arms and equipment on hand after five years of build-up.

How strong this country really has become, after five years of heavy investment in its armed forces, now can be shown in graphic detail.

That strength, which has been built up in large measure during the period since the Korean war began, is impressive. It has grown, at this time, to a national defense establishment which is valued at 124 billion dollars.

To give you a practical idea of what this vast force amounts to:

- Its weapons, equipment and property are valued at nearly half of the total investment by private industry in factories, equipment and offices, which is estimated at 270 billion dollars.
- Its use of real estate for bases, artillery and missile ranges and military reservations involves 30 million acres of land. This exceeds the acreage in any one of 16 different States.
- Its dollar investment is a third greater than the total value of the farm land in the nation, which is worth about 90 billion dollars.

All of this is a means of measuring military strength. What kind of strength the 124 billions represents is laid out for you in the charts and tables on pages 32, 35 and 36. A close look shows where the big spending has gone, where "strength in being" is greatest now, after years of intensive build-up.

The biggest investment in arms and equipment on hand at this time is in ready-to-use naval strength. The Navy has 56.4 billion dollars' worth of ships, guns, property of all kinds, or nearly half of the total defense investment. The Army's total investment is far less, with 34.1 billions. The Air Force, at 33.4 billions invested, has the smallest amount of property on hand of the three services.

Air power, getting the lion's share of present budget outlays, is building up the value of its basic weapons rapidly, however. The Air Force lists 25,390 aircraft in its inventory. These are valued at 11.4 billion dollars. There are also on hand 14,311 naval planes, purchased for 4.3 billions, for a total investment in Air Force and Navy aircraft of 15.7 billion dollars.

Sea power, at this point, represents a bigger investment but the value of its

(Continued on page 35)

WHAT ARMED FORCES OWN

Military Property, by Branch of Service—

Navy	$ 56.4 bil.
Army	$ 34.1 bil.
Air Force	$ 33.4 bil.
Total value, armed forces' property	$123.9 bil.

Military Property, by Kind—

Buildings, other real estate	$ 21.5 bil.
Guns, ships, planes, other equipment in use	$ 48.5 bil.
Stockpiles of arms and supplies	$ 51.0 bil.
Machine tools on hand	$ 2.9 bil.

Source: Defense Dept.

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Gentlemen... the royal scotch...

fit for a **King**

Traditionally fine things inspire a special kind of loyalty. Once you experience the rich body and rare flavour of King George IV Scotch, you'll join the many around the world who are loyal to "the Scotch that wears a crown."

"King George IV"
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PLEASURES
COST
SO LITTLE

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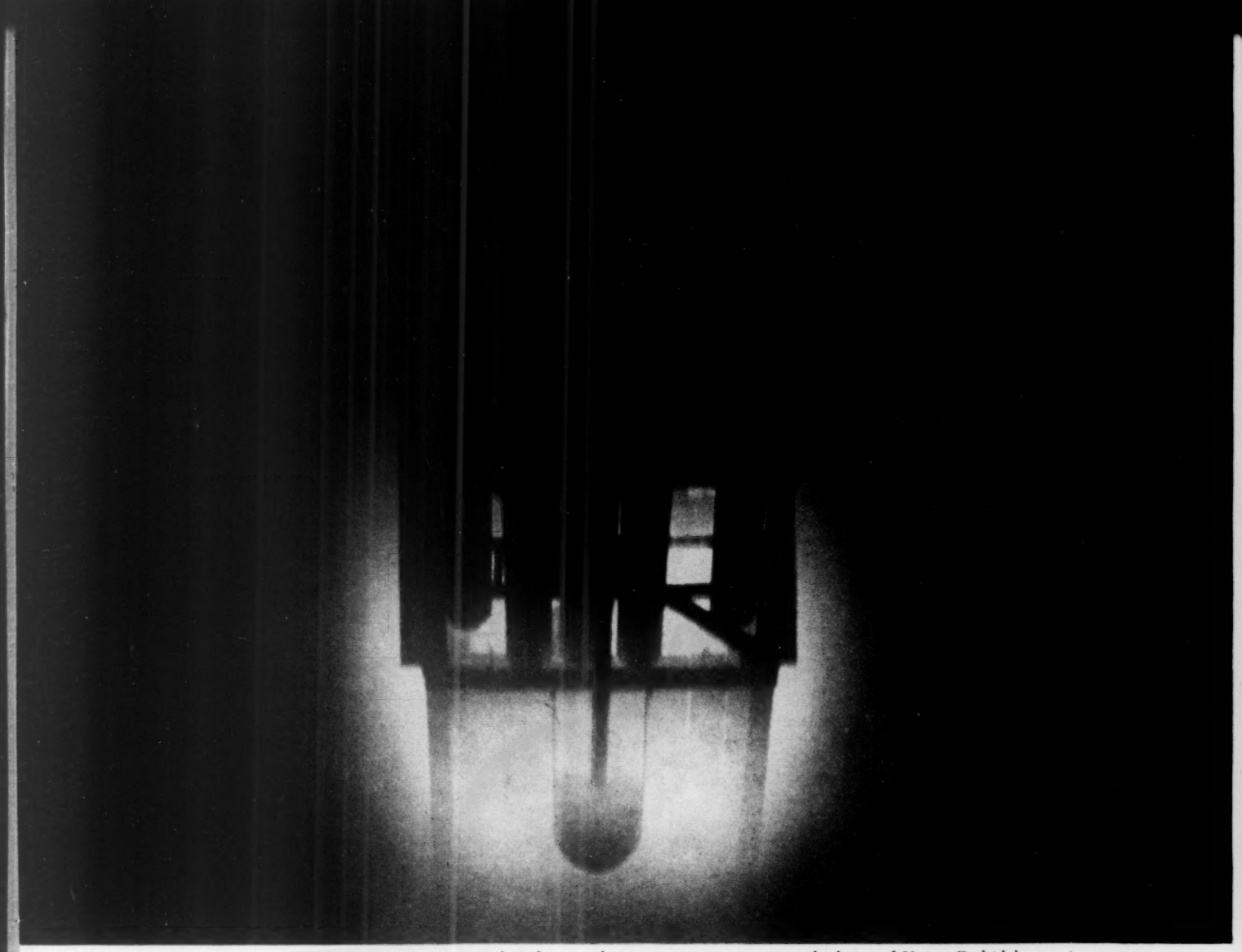


At Oak Ridge, an aluminum structure encases the heart of Union Carbide's atomic reactor

For more of the good things of life

Aluminum combines properties important to nuclear research. It has a low-absorption rate to neutron bombardment; withstands prolonged radiation in research reactors; and its resistance to corrosion solves a major problem in the technology of nuclear reactors.

This is typical of aluminum's contribution through hundreds of significant new uses each year—and one more reason why the demand for aluminum continues to outstrip supply.

Meeting the future's heavy requirements will hinge on the amount of electricity available to smelt aluminum. Such electricity must be low in cost and free from other industrial demands.

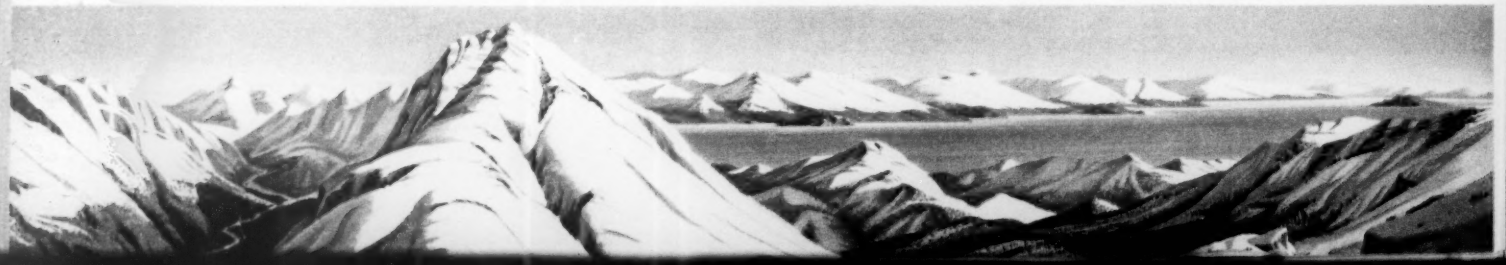
This is why Aluminium Limited is harnessing waterpower in neighboring Canada's northland . . . to generate low-cost electricity. There in the wilderness, new aluminum-smelting facilities are being expanded to increase this company's total production by a quarter-of-a-million tons of primary aluminum ingot a year.

Aluminum from Canada has long played an important role in the United States and will continue to do so . . . ensuring jobs for U.S. workers and bringing you more and *more* of the good things of life. **Aluminium Limited, Montreal:** one of North America's great aluminum producers. (In New York: Aluminium Limited, Inc., 620 Fifth Ave.)

SEE "OMNIBUS" EVERY SUNDAY ON CBS-TV

Aluminum from Canada

At Kitimat, in the mountains of western Canada, wilderness reservoirs surrender their waterpower to further expand aluminum production



weapons inventory is increasing more slowly. The Navy has 2,724 ships in its active and reserve fleets, of which 1,265 are in use. The cost of building, converting, arming and equipping all those ships amounted to an investment of 22.2 billion dollars.

Land power shows a far smaller investment of dollars. The Army's total stocks of "major items" in the hands of its troops comes to only 4 billion dollars—including weapons, ammunition, guided missiles, combat and support vehicles, and Army aircraft.

Behind these inventories of weapons and equipment on hand is a larger amount invested in weapons and equipment in the supply system—either being shipped, or being stored. This amounts to 50.6 billion dollars' worth of items, the largest share consigned to the Army, the smallest to the Air Force.

—Dept. of Defense

GUARDING GOVERNMENT PROPERTY

The military owns 15.7 billion dollars' worth of planes

Real estate held by all of the armed services amounts to more than 24 million acres within the continental U. S. and nearly 6 million acres overseas. Meanwhile, the services are negotiating for the use of still more land as additional missile ranges.

This total of 30 million acres is bigger than either Ohio or Tennessee. It represents 1.3 per cent of the total land area of the country. Each State is represented. Most, however, is contained in 10 States, in each of which the Defense Department controls more than half a million acres.

The Defense Department has, for example, 5.5 per cent of all the land in Nevada, 4.6 per cent of Utah, 4.5 per cent of Arizona, 4 per cent of New Mexico, 2.5 per cent of California, 2.2 per cent of Colorado, 2 per cent of Idaho, 1.5 per cent of Georgia, nearly 1 per cent of Wyoming and one half of 1 per cent of Texas.

Not all of this land is owned by the services outright. Nearly half is assigned to them by being withdrawn from the "public domain" for military use. A quarter is owned by the individual services. The rest is either leased or acquired temporarily for a specific use.

Cost of this land is listed in the new inventory at 21.5 billion dollars. Its actual value is considerably more. Some of the land owned by the services was donated to them years ago. For example, Governors Island was given to the Army by New York State.

Other lands were acquired at rela-

30 MILLION ACRES OF MILITARY REAL ESTATE

24,173,000 acres of land are used by armed services within the U.S.

Army	8,253,000 acres
Navy	3,779,000 acres
Air Force	12,141,000 acres

5,255,000 acres of land are used by U. S. armed services overseas

Army	1,575,000 acres
Navy	502,000 acres
Air Force	3,178,000 acres

Source: Defense Dept.

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tively low cost, and are still carried at that value. The Army, for instance, has four active installations which date back to before 1800, and has more than 100 properties which were bought before 1900. Carlisle Barracks, Pa., was acquired and occupied in 1776. Fort McNair, site of the present National War College, was first occupied in 1790, now consists of highly valuable real estate near the heart of Washington, D.C. And there is no cost for land withdrawn from the "public domain."

On the basis of cost, the Army has the heaviest property holdings, with a bookkeeping listing of 8.4 billions. The Navy comes next, with 7.4 billions in buildings and real estate. The Air Force is lowest, with 5.7 billions spent for real property.

All of this property, now used by the services, cost the Government more than 1 billion dollars in each of three States—California, Texas and Virginia. In nine other States, the properties cost between half a billion and 1 billion dollars.

Rental of property alone costs the armed services 37.6 million dollars a year.

Machine tools, for producing the weapons of war, account for 3 billion dollars' worth of armed forces' property. Most were acquired during previous wars and emergencies, and are now kept in standby condition against future need. Each of the three services owns about a third of these tools, with the Navy holding a slightly bigger share than the two others.

The plan now is to place all available tools possible in an operable condition within the next five years—adding them to the reserve list—and to dispose of the rest. This will increase the size of the machine-tool inventory, reported for the first time in 1953 and growing rapidly.

War plants are involved in the defense-property inventory, too.

Now being operated by the Government are 34 plants producing tanks, electronic equipment, aircraft components, as well as "basic raw materials or products in the aluminum, magnesium and miscellaneous metals fields."

There are also 125 "reserve" plants on the list, 91 of them actually sold to private industry but with "recapture" clauses making them immediately available, 29 leased or placed under contract, 5 of them now idle. This includes, among other things, factories for aircraft and component parts, aluminum plants, shipbuilding yards, explosives factories, plants for making guns and ammunition.

Stockpiles of equipment and supplies being held by the armed services, meanwhile, show where really big outlays are being made for defense in the jet-atomic era, strength that is largely unnoticed.

The Air Force alone, for example, has built up stockpiles of items valued at 12.2 billion dollars, in addition to the equipment and supplies in actual use.

The stockpile includes 3 billion dollars' worth of aircraft engines and engine spare parts, in the supply line or in storage. It also includes 2.3 billions' worth of aircraft instruments and component parts. There is nearly a billion dollars' worth of "armament and photographic equipment and supplies." An additional billion dollars is invested in electronics and communications equipment stockpiled by the Air Force. And there is a quarter of a billion in spare stocks of clothing, survival equipment and parachutes.

Even bigger stockpiles are being accumulated by the Navy, with a supply-system inventory worth 17.6 billion dollars.

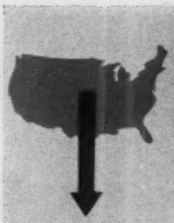
Guns, ammunition, missiles and explosives are stockpiled by the Navy now, for example, to the value of 5.8 billion dollars, over and above the ordnance actually in use by the active fleet. A billion is invested in repair parts for these spare guns and missiles. A full 2 billion dollars' worth of aircraft materials and parts has been accumulated in the Navy stockpile as well, plus a billion dollars' worth of shipboard machinery of all kinds.

Greatest reserves of strength, however, are in Army stockpiles that now amount to 20.7 billion dollars' worth of combat and combat-support equipment.

Most of this vast accumulation is in Army ordnance. More than 5.8 billion is in the form of ammunition, guided missiles, rockets and related equipment. About 1.4 billion dollars' worth of stockpiled property consists of actual weapons, most of them the latest models. Then there are reserves of Army vehicles valued at 1.9 billion. And there is 3.7 billion dollars' worth of spare parts, tools, equipment and supplies.

Army supply lines contain other war supplies in profusion. Warehouses are crammed with 2.1 billion dollars' worth of uniforms and equipage, 1.4 billion of engineering equipment, a third of a billion dollars worth of Chemical Corps equipment and supplies, about the same amount of medical supplies in reserve. There is a quarter of a billion dollars' worth of subsistence rations, 145 million dollars' worth of petroleum and allied equipment for quick movement of troops and supplies in wartime.

In all, America's armed services have built up usable stocks of 4 million different kinds of items needed for war. It is these stocks, ranging from latest models to World War II surpluses, that provide a new measure of actual strength in being—a strength that is today the greatest in U.S. peacetime history, and is still growing rapidly.



Where Military Forces Own Or Lease Land In the U.S.

STATE	ACRES CONTROLLED
Alabama	205,020
Arizona	3,290,588
Arkansas	103,677
California	2,474,980
Colorado	1,436,374
Connecticut	1,279
Delaware	7,078
Dist. of Col.	1,871
Florida	331,120
Georgia	554,579
Idaho	1,073,104
Illinois	78,843
Indiana	200,431
Iowa	25,690
Kansas	132,669
Kentucky	195,926
Louisiana	212,217
Maine	133,144
Maryland	128,580
Massachusetts	56,517
Michigan	50,667
Minnesota	6,687
Mississippi	34,820
Missouri	132,871
Montana	11,193
Nebraska	107,160
Nevada	3,886,067
New Hampshire	2,202
New Jersey	102,185
New Mexico	3,101,562
New York	156,635
North Carolina	292,864
North Dakota	812
Ohio	46,251
Oklahoma	204,970
Oregon	118,238
Pennsylvania	69,025
Rhode Island	8,495
South Carolina	92,781
South Dakota	367,326
Tennessee	120,746
Texas	774,015
Utah	2,443,180
Vermont	1,335
Virginia	286,968
Washington	466,692
West Virginia	2,256
Wisconsin	71,997
Wyoming	569,051

Source: Defense Dept.

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No longer must tubing be extruded, formed, then brazed or welded to sheet to get a sheet with liquid or gas passages. Here is new Reynolds Aluminum Tubed Sheet with tubing (any pattern desired) right IN it!

This new material, ideally suited for heat transfer applications, is now solving many problems for the refrigeration industry. Men in transportation, chemical and petroleum, construction and many other industries are also enthusiastic over the many advantages that Reynolds Tubed Sheet promises them. For full details contact the Reynolds office listed under "Aluminum" in your classified telephone directory or write *Reynolds Aluminum Fabricating Service, 2084 South Ninth Street, Louisville 1, Kentucky.*

Report From Detroit

What's NEW In the New Cars

More power, more car and more choice.

That is the story that emerges from a survey of the 1956 models by members of the Board of Editors of *U.S. News & World Report*.

Differences from 1955, a year of big change, are numerous. Power step-ups lift many cars into the 200-to-300-horsepower range.

Trend is toward cars that are low, long, big-looking. Hottest model is the four-door hard top. More station wagons, convertibles are coming off assembly lines.

Automatic transmissions are better. You shift some new cars by push buttons.

Seat belts, other safety devices, make their bow. Air conditioning is cheaper.

New gadgets make motoring more fun.

DETROIT

The American car buyer is going to get a lot of automobile in 1956.

For a year in which the public was looking for little more than "face lifting," the change from the spectacular models of 1955 turns out to be extensive. In some cases it is striking.

Most of the 1956 cars are already out, much earlier than usual. A seven-week survey by *U. S. News & World Report* shows that there certainly has been plenty of what might be called face lifting.

But the transition from 1955 goes much further than that.

The 1956 cars are the most powerful ever built. They are more automatic than ever, and their transmissions are better. They are lavishly equipped and gracefully designed.

Choice of models is much wider. Many cars are lower and longer, yet retain a massive "American" look from front and rear. New devices make driving easier, safer and more comfortable.

The "push-button car" is almost a reality. On some 1956 models, you shift gears, adjust seats half a dozen ways, open windows, even lubricate the chassis by a touch of a button.

Safety devices include seat belts, shoulder harnesses, door catches that hold under crash impact, special pads, steering wheels that "give."

"Gadgets" are available in variety. Some models have a "hi fi" record player. Or reversible upholstery. Or a heater that works right away.

Air conditioning is catching on rapidly. It costs less now than it did.

The entire U. S. auto industry has come around to the big, 12-volt batteries that have been used in European and some U. S. cars. New lights give extended vision. Brakes will last longer. The tubeless tires of '55 are universal.

Models galore. Almost every line has a wider choice of models. They go right up from popular-priced hardtops to super-luxury cars in the $10,000 range.

The American urge for outdoor, country living, more recreation, is reflected through the whole auto field.

The roomy, four-door hardtop is being pushed hard. Station wagons are coming out in much larger numbers, different styles. There are more convertibles. The sports car, an American newcomer, is being restyled.

You can have color combinations even more vivid and more varied than in 1955. More new models are available in three tones, rather than two.

List prices average a little higher, up probably less than 5 per cent. But dealer concessions are expected to continue widespread. Along with the increase in new models, price "deals" are counted on by auto makers to hold sales high in '56. You hear a good deal of talk about 7½ to 8 million sales.

The buyer is right. Detroit is in the business of giving car-buying families what they want. This time, the industry believes it has come closer than ever before.

How do the car makers know what people want? One way is consumer research, carried on very extensively, both directly and through research agencies.

Recently, consumer research has shown up a strong public demand for four-door hardtops, station wagons, plen-

ty of color, better transmissions, stronger batteries. These preferences are mirrored in the '56 cars.

Tripling of two-car families in the last five years, following the big trend to the suburbs, has brought a hungry market for station wagons and convertibles. As early as last January, surveys showed that one third of all new-car-buying families owned two or more cars.

Some surprises. The new models embody lessons in workmanship learned in '55. Inside and out, they also contain unexpected innovations.

Greater power is epidemic, runs through nearly every line. Step-up in top power averages about 18 per cent. It is most marked in the medium and high-priced ranges, but the popular cars are not neglected.

Packard has announced the highest horsepower in the industry, from 275 in 1955 to 310 in 1956 for its most expensive car. For some models the rating is 290, compared to 260 in '55. Packard also claims a compression ratio of 10 to 1, another industry top.

The limited "superluxury" cars, Ford's Continental Mark II and Cadillac's Eldorado brougham, also push above 300 hp. Chrysler's Imperial and Ford's Lincoln go to 280 and 285. The Buicks will generate a top of 255; Ford's Mercury, up to 225; higher-priced DeSotos, 255; Oldsmobiles, up to 240; Pontiacs, 227, and Dodges, to 230.

In the Chevrolet-Ford-Plymouth class, top horsepower will be just above 200. Only a few years ago the power rating of these cars was barely half as much; then, only a few luxury cars had 200 hp.

Higher power has been obtained in several ways. Compression ratios have been stepped up. Another factor is the four-barreled carburetor, found on many new cars. This carburetor, with related mechanical changes, feeds more air and fuel into the engines.

None of the power increases involves any real fuel problem, the makers say. Some contend the high-powered engines run very well on regular grades of gas, rather than high-test.

The why of power. Why so much power? Why is it needed? People ask these questions perennially.

All the manufacturers disclaim any intent to encourage high-speed driving. One purpose for the greater power, they say, is quicker acceleration, when starting up and when passing other cars. Another reason, more basic, is the need to operate automatic transmissions at full efficiency, and to run certain other power devices dependent on the engine.

A number of manufacturers stress that the accompanying increase in torque, the driving force which turns the rear wheels, is in low and medium speeds. Therefore, they say, the motorist with the more powerful engine gains in usable power, rather than in power that he may never use at all.

Along with the power boosts, the growing number of automatic transmissions is impressive. The hand shift has vanished from top-priced cars and from many of medium price. In the Ford-Chevrolet-Plymouth class, where automatic transmission is an optional extra, a very large proportion of cars is being so equipped.

The automatic transmissions, too, work much better than they used to. They

shift smoothly, tending to eliminate pause or jerking.

One rather spectacular touch is push-button control for shifting, eliminating any gear lever at all. Chrysler's five lines —Plymouth, Dodge, DeSoto, Chrysler and Imperial—all have these buttons mounted on the dashboard. At night, the buttons light up. They are mechanically operated, not electrically.

Packard is introducing electrical push-button shifting—six buttons set in a fitting mounted on the steering column.

Better drive. General Motors has gone in for extensive improvement in its Hydra-Matic transmission. The improved version is offered on Cadillacs and the higher-priced Oldsmobiles and Pontiacs, and will shortly replace the present Hydra-Matic on lower-priced models in the latter lines.

Key to the smoothness of the new Hydra-Matic is a second small, fluid coupling. This acts to cushion shifts through oil, as the main fluid coupling cushions engine power.

For better traction, the new Packards have a "nonslip" differential. This "senses" a slipping rear wheel and concentrates power on the other rear wheel. On ice or in mud, when one wheel is unable to get a grip, the differential will transmit tractive power to the wheel on the firmer surface.

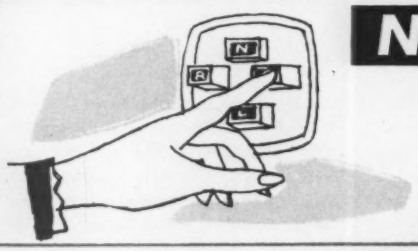
New trends in bodies. Even more pronounced trends are apparent in the bodies of the 1956 cars than in the "works."

For one thing, the four-door hardtop seems to be on its way to supplanting the sedan as a popular favorite. This car, with no center posts and with windows that disappear completely into the body, is roomier than its two-door brother, less trouble to get into or out of.

CHANGES YOU WILL SEE

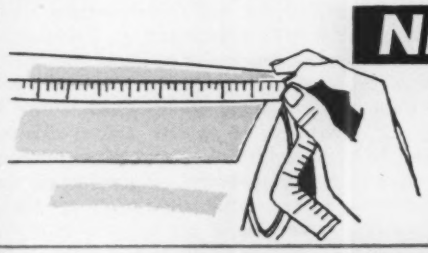
NEW power

Above 200 hp. in some popular models, 300 in highest-priced cars. In most cars, power up about a fifth over 1955.



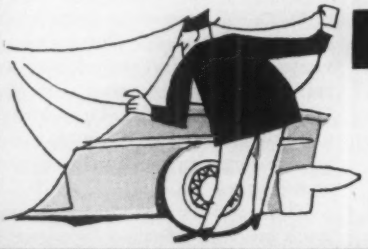
NEW driving

Better automatic transmissions. Push-button shifting. Long-vision headlamps. Stronger batteries.



NEW bodies

Lower, some longer, bigger-looking. More choice of body types in almost every line.



NEW models

Four-door hardtops, different styles in station wagons, more convertibles.

In the '55 lines, only about 250,000 four-door hardtops were made, all by Buick and Oldsmobile. That number will be far exceeded in '56. Almost all car makers are offering four-door hardtops this year, in a wide variety of styles and prices.

Moving up, in a big way, is the station wagon. This model is being bought in sharply increasing numbers, especially by suburbanites. Demand in '56 was so great as to create a sellers' market for some lines.

In 1956, production of station wagons is expected to approach 1 million, compared to only 29,000 annually before World War II.

Like the four-door hardtop, the station wagon is found in nearly all the 1956 lines, and in a much greater variety of models than before. It is priced more attractively, too. Some station wagons today sell for little more than hardtops. A few have come down in price from '55.

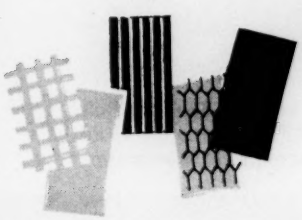
The Dodge line, for one, offers a choice of two-door or four-door station wagons, the latter with either two or three seats, for as many as eight passengers. Pontiac, which expects to make more than 80,000 station wagons in 1956, is introducing a four-door, three-seat model.

Chevrolet is putting out six types of '56 station wagons, two of them nine-passenger vehicles. Ford, too, has six station wagons—one a two-door, six-passenger model in the luxury class. It has an 8-by-5-foot load space with tail gate extended, along with special upholstery and fabric floor carpets.

American Motors, placing big emphasis on a compact car, is producing a restyled Rambler station wagon embodying chief features of the four-door hardtop.

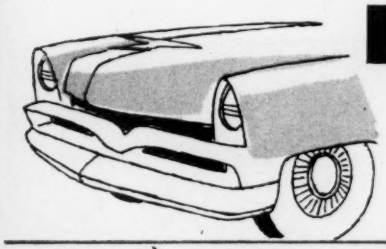
The new design eliminates the usual

IN THE 1956 CARS



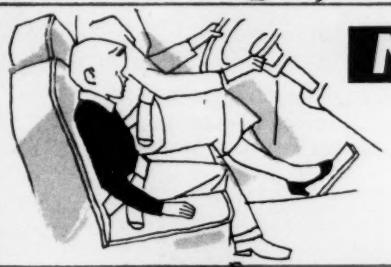
NEW colors

Hundreds of 2 and 3-tone combinations, upholstery to match. Reversible seat and back cushions.



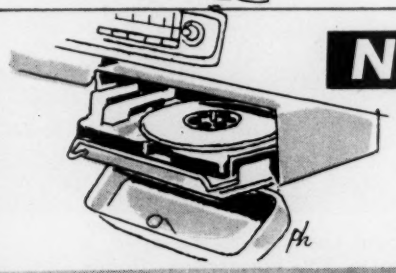
NEW styling

Changes in front and rear ends, side molding, chrome stripping. Long hoods, upswept fenders.



NEW safety

Seat belts, harnesses, crash-proof door locks, collision pads, new-type steering wheels to absorb impact.



NEW gadgets

Instant heaters, "hi-fi" record players, accident lights, push-button lubrication, no-lag wipers.

© 1955, By U.S. News Pub. Corp.

station-wagon center posts and upper portion of tail gate. The full-width window at the rear rolls down into the gate below, and the lowering of that one gate opens the rear section completely.

Convertibles are growing in popularity, along with the "second car" trend. They have been helped by the development of Orlon and other "miracle fabrics" for tops.

Strength in numbers. The number of additional body types in almost all lines creates an outstanding difference between '56 and '55 cars. Practically every maker has added some new models.

Chevrolet, for example, has 19 body types, five more than in 1955. The new Fords come in 18 models, two more than '55.

The 1956 car is noticeably lower than those of the last two years, when the trend was established. Quite a few are longer, too. Then there are lots of other styling changes. Although complete bodies of entirely new design are few for '56, the changes on front ends, grilles, fenders and lights are hard to count.

Chrome trim and the molding strips on the side, too, are different.

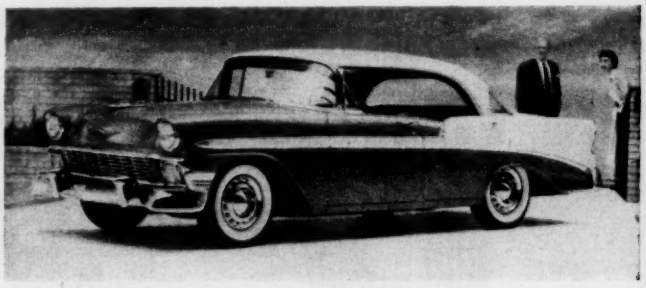
Last year saw two-tone color combinations all over the place. Coming up is an even wider choice of hues, in both two and three-tone jobs. There are literally hundreds of combinations.

Style lines. Here are a few of the refinements in styling:

Chrysler's lines have long, low silhouettes, with jutting headlights; hoods slop-

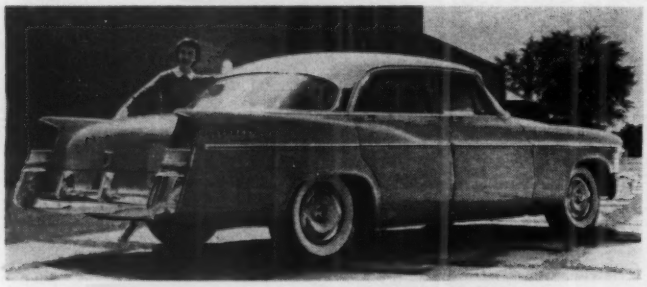
PHOTO REPORT
The NEW Cars

The Lowest Priced Class

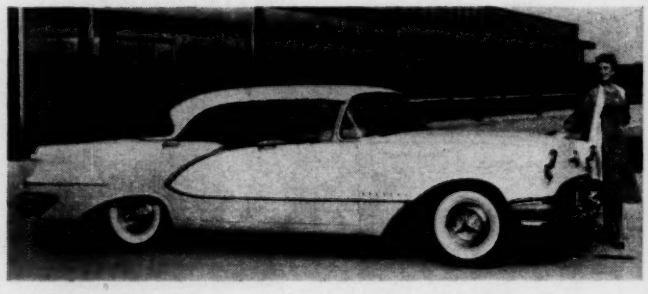


CHEVROLET introduces Bel Air four-door hardtop, new to the line, one of 19 models for 1956. These have a lower, longer look, plus more power.

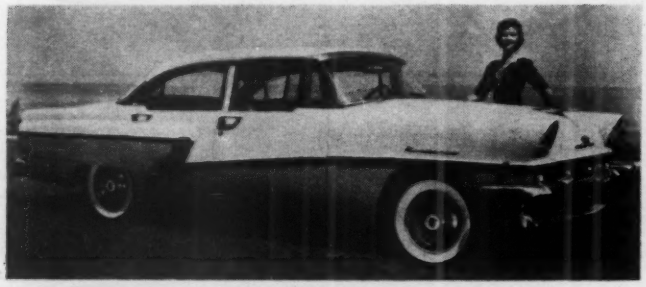
The Middle Group



CHRYSLER New Yorker offers 280-horsepower engine, push-button drive. Models are hardtop, convertible and station wagon, as well as sedan.



OLDSMOBILE "98" has long lines and a new front end. Horsepower is up to 240. Hydra-Matic transmission is smoother, accelerates swiftly.



MERCURY Monterey features low silhouette typical of Mercury line, which offers 60 colors and combinations, higher power, smoother transmissions.

DODGE Custom Royal has push-button drive, a variety of colors, up to 230 horsepower. Dodge also offers wide choice of station wagons, hardtops.

(Photos of Studebaker, Hudson, Nash are to be made public later. For data on these cars, see page 47.)

ing down to the front; finlike fenders, upswept to the rear end. The luxurious Imperial and the Chryslers are more than 5 inches longer than in '55. New DeSotos stand only 5 feet high. Plymouths have added an inch to their length.

The '56 Cadillacs have new front and rear bumpers, a lower hood, and a new aluminum grille which can be obtained in gold, with matching wheels. Front fenders are wider, headlamps hooded. Rear fenders retain the Cadillac fins with moderate changes.

A superluxury Eldorado brougham, due sometime in 1956, is estimated by the Cadillac people to sell for $8,500. It will be a sleek, low-slung, four-door hardtop type, standing only 54 inches high. It will have four headlamps, one pair for city and one pair for country driving, a brushed-aluminum roof and four individual pivoting seats of the lounge type.

Buick offers a new front end and V-shaped grille for 1956. Rear wheels are exposed on all models, giving them a sports-car look. The rear end has been refined to make the cars look longer.

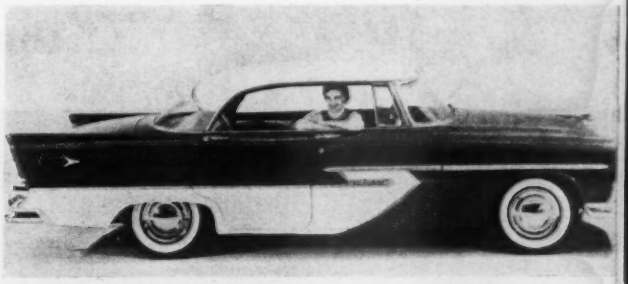
Oldsmobile retains its low silhouette and panoramic windshield, but has new fender, hood and bumper design. An airfoil-type grille is deeply recessed in an oval between massive upper and lower bumper bars.

Pontiac bodies are 2½ inches longer. Chevrolet has higher, straighter fender lines and a wider, more massive grille.

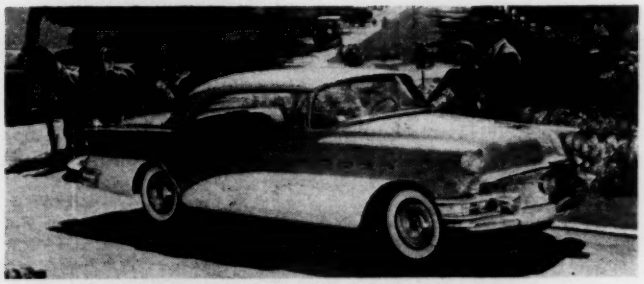
Ford's new prestige car, the Con-

(Continued on page 44)

FORD Victoria has lower silhouette and other changes in styling. The power is up, too. This is one of 18 models in Fairlane and other series.



PLYMOUTH presents Belvedere four-door hardtop, a new model with upswept rear fenders and higher power. Push-button drive control is available.



BUICK Super four-door hardtop has restyled front and rear ends, looks longer. Horsepower is up to 255, the car's Dynaflow transmission improved.

CLIPPER, Packard-built, introduces torsion-bar suspension in medium-price range. Cars are long, horsepower up to 275, push-button shift optional.

DESOTO Fireflite has lower silhouette, 255 horsepower, 84 colors and combinations. Hardtops and a station wagon are prominent in the Desoto line.

PONTIAC Star Chief Catalina is one of several hardtop models. It is rated at up to 227 horsepower, has improved Hydro-Matic transmission.

Photo report continued

tinental Mark II, is more than 18 feet long, only 4 feet 8 inches high. The car is priced at around $10,000, and recent production has been 16 a day. The present model, a two-door hardtop, has what is called "modern formal" styling. It retains the long, gently sloping hood of the old Lincoln Continental, and its compact, inward-sloping style of passenger compartment. There is very little chrome.

Lincoln has scrapped its relatively short body. New models are much longer. Wheelbase alone has been increased 3 inches to 126. Car height is down 2½ inches, to 5 feet. All models have long, sloping hoods, high fenders.

Mercurys all have low-silhouette styling, present more massive-looking fronts. Ford bodies are 1 to 1½ inches lower, with wider and longer grilles.

Packard's new hood and deck lines give its hardtops, sedans and convertibles a lower, broader appearance. Clippers, made by this company, are long—nearly 18 feet over all.

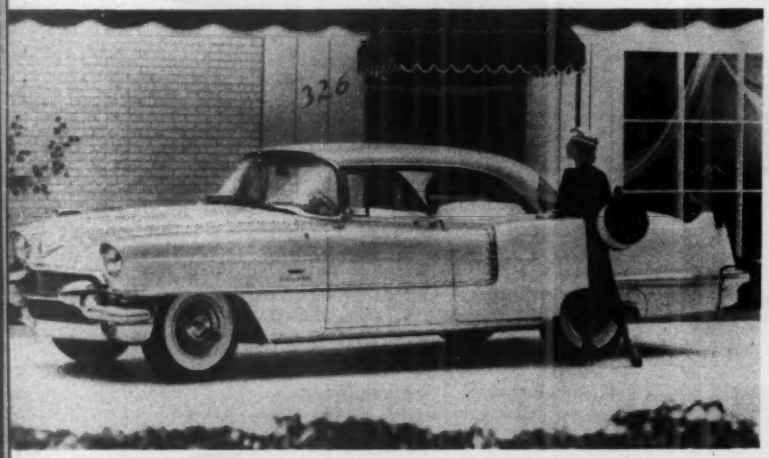
Studebaker, restyling more completely than most, has swung back from continental to American-type styling. The cars are larger, inside and out, than previous Studebaker models.

The Studebakers are intended to accelerate the program, begun with the 1955 models, to re-establish this car as a strong competitor in the popular-price field.

A new station wagon is being added to the line, and there will be some high-powered sports-type cars, around the top of the price range.

PHOTO REPORT [continued]

The Luxury Models



CADILLAC Sedan de Ville, first four-door hardtop of this make, has stepped-up horsepower at 285, with improved Hydra-Matic. It is one of three new models.

LINCOLN Premiere coupe is much longer and considerably lower than 1955 Lincolns. Horsepower is up from 225 to 285. Other models are sedans and a convertible.

IMPERIAL, Chrysler-built, is five inches longer this year, with horsepower stepped up to 280, and push-button shifting. Styling is changed. There are more body types.

PACKARD Patrician has push-button drive control, increased horsepower, improved torsion-bar suspension, and a "nonslip" differential for slippery roads.

Nash is coming out with five new models, restyled and with moderate horsepower increases. Hudson's five models, too, will be considerably restyled.

Ford's Thunderbird, the "personal" sports car introduced in 1954, has a spare-tire carrier of the Continental type, mounted on the rear end, for '56.

Chevrolet's Corvette will have styling changes, too. So will American Motors' Metropolitan.

Ease, comfort, safety. Devices to make driving easier, safer and more relaxing and comfortable are developed to new degrees in the '56 cars.

Power steering, power brakes, power seats in variety are being installed in more and more cars, and costs are coming down rather sharply. Brakes on some makes are said to act more quickly, wear longer.

Air-conditioning units, only a dream in the recent past, are catching on well. Units are being installed on one out of five luxury cars, over the country. In hot-weather areas this proportion nudges 100 per cent, in top-price models.

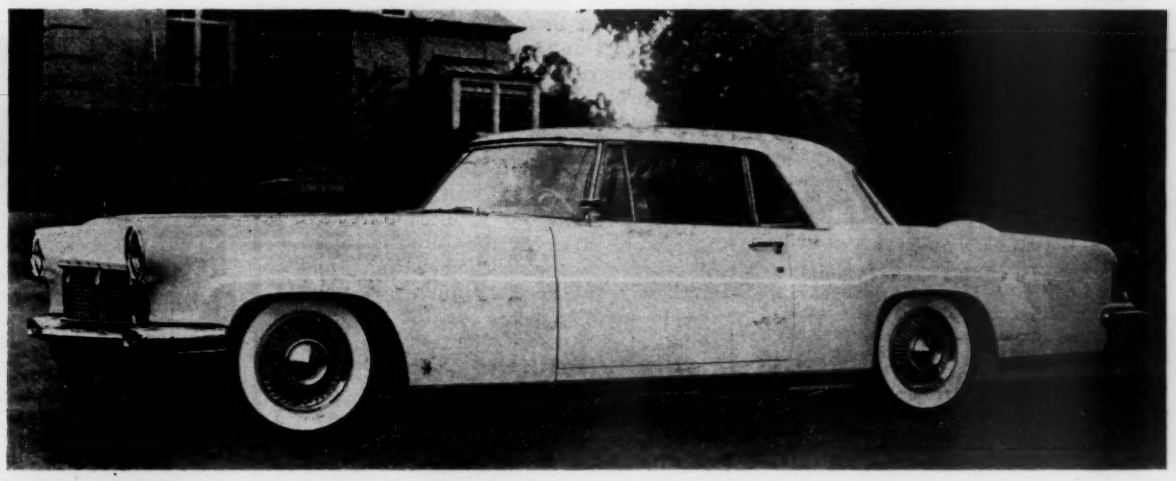
Here, again, the price is coming down —to $400 for some units.

Better headlights are to be found on substantially all '56 cars. They project the low beam farther down the highway, adding as much as 80 feet to the driver's field of vision.

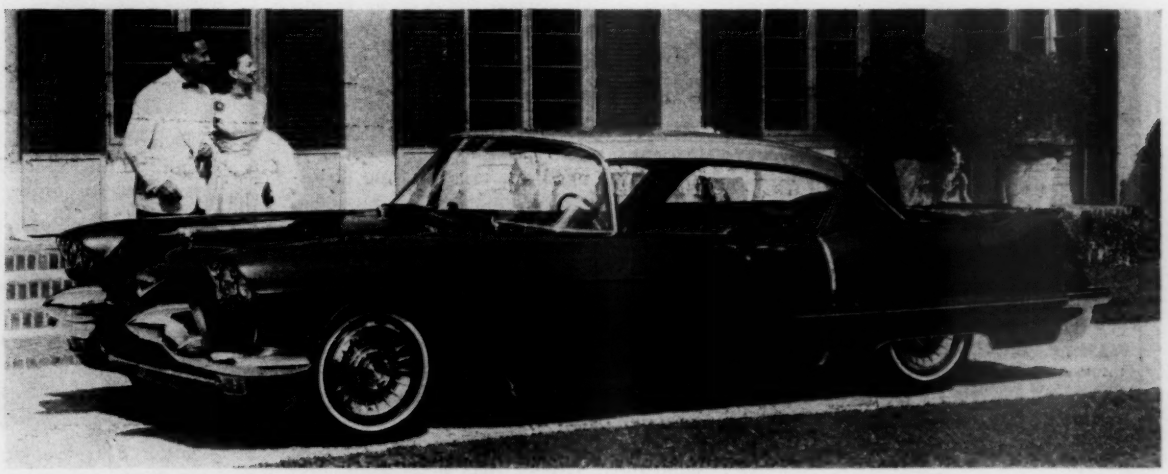
The bigger, 12-volt batteries cope with the new load caused by electrically powered accessories, make for

(Continued on page 46)

The Superluxury Cars



FORD'S CONTINENTAL MARK II is a prestige car, for limited production. Called "modern formal" in styling, it has the long hood and other features of the former Lincoln Continental. Its modified Lincoln engine reputedly develops well over 300 horsepower. The new Continental sells at about $10,000.



CADILLAC'S ELDORADO BROUGHAM is to be in production soon, in limited numbers. Cadillac's superluxury car is a four-door, four-passenger hardtop model, with pivoting individual seats of lounge type. It has two pairs of headlamps, one for city driving, the other for country. It is to cost about $8,500.

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quicker cold-weather starting. Makers say these batteries charge more readily at low speeds.

The car buyer with an eye for safety will find just about as many devices for this purpose as he is likely to want.

Crash-proof door latches, unlikely to pop open in case of collision or upset, are on all principal makes of cars as standard equipment.

Ford lines have the "dished" steering wheel. This lowers the top of the steering post several inches below the rim of the wheel. The wheel spokes "give," away from the driver, to cushion the shock of a sudden stop, prevent the driver's chest from hitting the steering column.

Seat belts, like those on airplanes, are attracting much attention. Chevrolet and Pontiac have added shoulder harnesses. Then there are pads for instrument panel and sun visors, and shatterproof rear-view mirrors.

Such optional extras are relatively inexpensive. For example, a "package" of two front-seat belts and pads for instrument panel and sun visors, for Ford cars, is priced at $25.

There is dispute about the relative merits of some of the safety contraptions. Some engineers, however, think they may reduce crash injuries as much as 35 to 50 per cent in the next few years.

New in gadgets. Aside from the safety devices, just about every 1956 line has added a few novel accessories Some seem very practical.

Chrysler offers, as optional equipment for Imperial, Chrysler and DeSoto, an instantaneous heater, gasoline fueled, which is independent of the engine. This is said to start circulating 100-degree air in 15 seconds, raising car temperature to 65 or 70 degrees within five minutes even in near-zero weather.

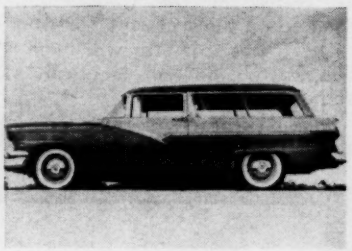
Other optional equipment is a high-fidelity record player for all Chrysler Corp. models. This plays for 45 minutes without changing the record, through the car's radio system. The maker says there is no needle bounce or tone distortion because of car motion.

Higher-priced Packards have something new in seat cushions for hardtops and convertibles. They are reversible for both seat and back rest, permitting a quick change from sporty leather to "formal" cloth.

Oldsmobiles and Pontiacs have, as optional equipment, power seats that can be moved six ways.

Other new and improved gadgets: windshield wipers that don't stall, luggage-compartment trouble lights with wires that unreel for 17 feet, signal-seeking radios that select new stations by themselves, a power-operated system

STATION WAGONS FOR 1956 COVER A BIGGER FIELD



Ford offers the Parklane, a luxury model seating six. It has special chrome, deluxe upholstery.

Rambler's new design features different tail gate, with big window lowering into the single gate.

In Plymouth's new line, the Sport Suburban has optional third seat, has room for eight passengers.

Pontiac 870 four-door provides rear-seat back rest and cushion which can be folded into floor

of lubrication by which chassis bearings can be lubricated at the touch of a dashboard button.

Tomorrow's cars. The 1956 improvements and refinements, numerous as they are, may be superseded by wholesale changes in the next few years. The cars of tomorrow already are taking shape on drawing boards and in laboratories.

Cars will probably be built even lower to the ground. This trend to lowness may be carried to extraordinary lengths if fuel injection proves its worth in the next year or so.

Injection is heralded as the next major advance in the internal-combustion engine, before the gas turbine takes over—perhaps 10 years hence. What happens is that jets spray gasoline directly into each combustion chamber, where it is mixed with air. That eliminates the carburetor as it is known today, may make present spark plugs superfluous as well.

Changes such as this would permit sharply lower hoods and cars, give designers a green light with tomorrow's automobiles.

For 1956, however, the American car buyer is finding just about all he wants in the new cars now on the streets or soon to reach the showrooms. That is why Detroit is so confident that another boom year for autos is on the way.

The Other Lines

Several lines of 1956 cars are coming out a little later than most. Thus photographs of these models were not available for inclusion in the photo report on the preceding pages.

Following are some of the changes in prospect in these cars:

STUDEBAKERS will show sweeping restyling, in the Detroit rather than the Continental pattern. The cars will be larger inside and outside than ever before, will have more powerful V-8 and 6-cylinder engines. A new series of sports-type cars will be offered, powered with Packard engines rated at between 250 and 275 horsepower.

NASH is about to offer five new models of its Ambassador and Statesman, restyled, and with both V-8 and 6-cylinder engines increased in horsepower.

HUDSON cars will be available in five models, likewise restyled and offering the car buyer a choice between V-8s and sixes, more powerful than heretofore.

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WHY MARGARET SAID "NO" —THE REAL STORY

The Royal Family, last of the great Western dynasties, still fills a tremendous role in Britain. Margaret's romance shows that.

Being a member of royalty is an arduous life. The family that holds the Throne has to ignore personal feelings. The Crown and country come first.

The record shows Princess Margaret had practically no other choice. The odds against Captain Townsend were overwhelming.

LONDON

Princess Margaret's love story is proving to the world, once again, that a royal romance can still rock twentieth-century Britain to its foundations.

Until the young Princess renounced her love of Group Capt. Peter Townsend in favor of royal duty, Britain skirted the edges of a constitutional crisis.

Now that the full story can be pieced together, it is becoming clear that she made the only choice that could possibly avert that crisis. Involved in her decision were pressures against her romance that came from her own Royal Family, from the Church of England, which her sister, Queen Elizabeth II, heads, and from Britian's basic law dealing with marriages by members of the royal household.

Even Margaret's personal finances were indirectly involved—although it is doubtful if they played much part in her ultimate choice.

It is a fact, however, that marriage with Captain Townsend would have deprived her of a $16,800 annual "salary" now paid her by the British Government as a member of the Royal Family. That salary will go up to $42,000 if she ever enters into an "approved" marriage. In addition, she now lives at Clarence House and has the use of other Crown property.

As plain Mrs. Peter Townsend, she would have had no such income, although she could have been provided for out of the private fortune of her family. And it is likely she would have had to give up royal titles and properties she now holds or uses—and might even have had to break off visits with her family.

In the end, it was largely a family matter—although vastly unlike any other family crisis in the world.

Church and state: one. Princess Margaret's difficulties centered around the fact that in this country there is no separation of church and state. Her sister, as Queen, is chief of state, and at the same time heads the national church, the Church of England.

Not only the Sovereign but any immediate member of the Royal Family has to abide by Church of England doctrine.

PETER TOWNSEND

—Wide World Photos

PRINCESS MARGARET

Church, state and family were opposed

That doctrine prohibits the remarriage of divorced persons whose former spouses still live. And Captain Townsend is a divorced man.

The Princess had two choices: She could marry the man of her choosing and be ostracized by the Royal Family and be cut off from her church. Or she could give up her love and retain her royal prerogatives, including her position as third in line of succession to the Throne.

Queen Elizabeth, herself, faced an unhappy choice. She could approve the marriage plans of a younger sister to whom she has been very close—and, in so doing, see that sister banished from the family. Or she could forbid the romance because it was contrary to the rules of the Church she heads and threatened to injure the prestige of her own Throne.

The romance's opponents. The Queen's husband, Philip, the Duke of Edinburgh, was strongly opposed to the romance, more so than any other member of the family. And Princess Margaret's mother, Queen Mother Elizabeth, told the Princess that she was free to make up her own mind, but that she must weigh carefully her own desires for a normal life against her duties to the country.

At least one member of the British Cabinet was known to be opposed to the marriage. Others expressed disapproval. Prime Minister Sir Anthony Eden, himself a divorced man and thus not recognized by the Church of England as being married to his present wife, faced the possibility of a Cabinet crisis had the Princess gone ahead with her marriage.

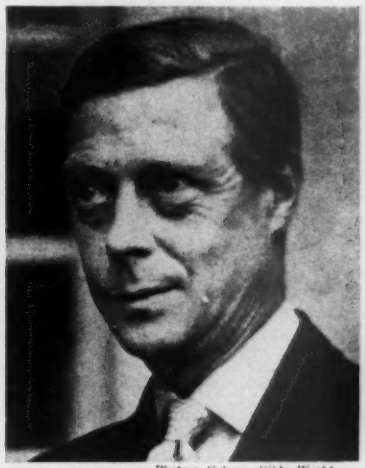
Also, the views of Dr. Geoffrey Fisher, the Archbishop of Canterbury, had to be considered carefully. Shortly before Princess Margaret announced her decision, he pointed out publicly that he had not changed his own view of divorce and remarriage.

In the final days, public sympathy appeared to favor Margaret's love for, and eventual marriage to, Captain Townsend. Yet the Royal Family and the Government could not forget another royal romance that, less than 20 years ago, gave

WHAT THREE BRITISH KINGS DID ABOUT ROYAL MARRIAGE

Henry VIII, first British ruler to head the Church of England, obtained Church approval terminating two of his six marriages in the 16th century. But no divorced monarch has ruled Britain since.

George III, angered by "unsuitable" marriages of his relatives, got Parliament to pass the Royal Marriage Act of 1772. That law still restrains descendants who try to wed without royal approval.



—Photos: Culver, Wide World

Edward VIII, in order to marry an American divorcee in 1936, was forced to abdicate the Throne and leave England—the Royal Family's biggest crisis in centuries. As Duke of Windsor, he is still an expatriate.

British monarchy its biggest blow in modern times.

Lesson from abdication. It was in 1936 that Princess Margaret's uncle, King Edward VIII, abdicated the Throne and became the Duke of Windsor in order to marry an American divorcee, Mrs. Wallis Warfield Simpson—"the woman I love."

At the time, there was much popular sympathy for the boyish, glamorous King who married for love rather than reasons of state. Yet you find little hero worship in Britain today for the Duke of Windsor. He is still, in effect, banished from England. Despite his repeated requests, he could never get the title of "Her Royal Highness" for the Duchess of Windsor.

Not many Britons realize that the Duke, except for his wartime years as Governor of the Bahamas, has received no income from the British Government. King George VI, until his death, gave his brother 25,000 pounds a year—a purely personal arrangement. The present Queen is believed to have continued this arrangement.

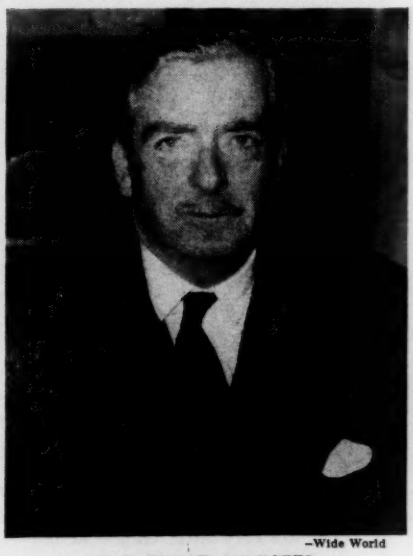
The picture that many Britons paint now of their former hero is that of an aging, restless man. The Duke has no official job, despite his desire for one. As long as Elizabeth is Queen, he will never be received back into the royal household.

This example of what happened to one who put love ahead of duty may have influenced Margaret deeply in choosing the other way. As she weighed her decision, the respected *Times* of London warned her, in effect, that she could expect the same ostracism that befell the Duke if she married Captain Townsend.

Tradition's chains. What Edward VIII defied, and Princess Margaret chose to obey, is hundreds of years of tradition, of law, of pomp and circumstance that surround the institution of the British Crown.

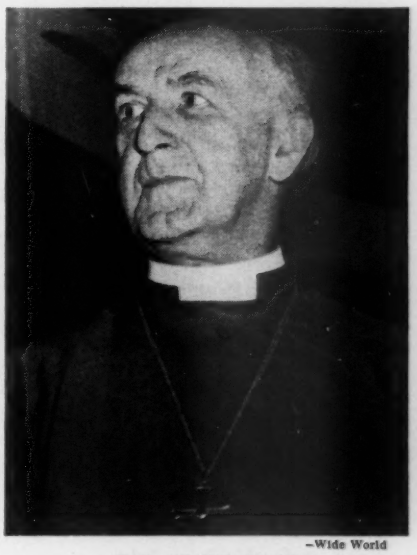
Here in England, people idealize the Royal Family as mirroring British virtues. They feel that it must be above reproach. They view its prestige as the most important link in the ties of England, the "mother country," to her former colonies and dominions—from Australia to Ceylon and the Gold Coast.

Margaret was reminded that her romance came just at a time when people were beginning to feel that her sister, the



—Wide World

THE PRIME MINISTER
Sir Anthony faced a possible crisis



—Wide World

THE ARCHBISHOP
. . . did not change his view

[continued]

MARGARET'S "NO"—THE REAL STORY

Queen, has managed to restore—by her own impeccable conduct—much of the prestige that the Crown lost because of Edward VIII's choice in circumstances similar to hers. And Margaret knew that British pride in the Royal Family is especially important right now to a country that is still a long way from its once-dominant role as a world power.

What the Princess was up against, religiously, was just as ironclad and implacable as the tradition of royal duties.

Princess Margaret is a regular communicant of the Church of England. She has been instructed, at her own request, in Church doctrine. She has close friends among the clergy, including the Archbishop of Canterbury. In recent weeks she consulted the Archbishop several times. She could have been under no illusion that the Church of England would approve her plan to marry Captain Townsend.

Irony from the past. The ironic thing about this situation is that Princess Margaret found her marriage opposed by a Church that became independent of the Roman Catholic Church more than 400 years ago mainly so that a British king could get rid of the first of his six wives.

That king was Henry VIII, who was refused a papal annulment of his marriage to Catherine of Aragon. Between 1529 and 1536, he got Parliament to pass a series of laws which placed the British Sovereign, instead of the Papacy, at the head of the Church of England.

After the break, the Church of England gave Henry VIII what he wanted—not only an annulment of his marriage to Catherine, but a subsequent divorce from Anne of Cleves.

Chances are that Henry VIII, today, would have just as much trouble as Margaret in getting the Church to go along with his marriage plans. A few years after his death, the Church of England officially reaffirmed much Roman Catholic doctrine, including the prohibition against divorce.

No divorced monarch since Henry VIII has ruled England. The idea is firmly established that the sovereign, as the "Defender of the Faith," must uphold moral standards. In Victoria's time, no divorced person—not even the "innocent" party to a divorce—could be received at court. In recent years, this rule has been relaxed as the divorce rate in Britain has grown. Yet, even today, the "guilty" partner in a divorce case cannot be received at Buckingham Palace.

Even if Margaret, knowing all this, had decided to go ahead and marry Captain Townsend—the "innocent party" in his own divorce case—she might have run into insurmountable legal problems.

The chief of these is the Royal Marriage Act, passed by Parliament in 1772 during the reign of George III—at his request—to help keep a checkrein on unruly members of his household.

This law permits a member of the immediate Royal Family to marry, without the Sovereign's consent, on reaching the age of 25—a point that Princess Margaret reached last August. But the Act also requires her to give legal notification to Parliament of her intent to marry. Then she has to wait a year.

The law states carefully that such a marriage is legal "unless both houses of Parliament expressly declare their disapprobation." So if Parliament chooses it can cast a cloud on any royal marriage by disapproving it.

Nor could Princess Margaret count on getting her freedom to marry by simply renouncing her royal prerogatives. Edward VIII, occupying a throne, was able to renounce it. But British constitutional experts are not agreed on the question of whether a member of the Royal Family can give up his or her place in the line of succession to the Throne.

Make an easier law? Now that Margaret has written off her romance, there are many in Britain and in Commonwealth nations overseas who wonder if she made the right choice. Some are calling her dilemma cruel and unnecessary. Others are renewing their demand for a separation of church and state. Sir Anthony Eden says that his Government has been considering ways of changing the Royal Marriage Act to give members of the Royal Family more freedom in their personal lives.

People will continue to argue for a long time the question of whether Margaret should or should not have married Captain Townsend.

It is clear, however, that the discussions in Buckingham Palace gave the 25-year-old Princess very little choice in her final decision—to maintain the prestige and unity of the Royal Family, and of Britain itself, at the cost of her persona desires.

—United Press

THE FAMILY

Margaret (foreground) with the Queen, Philip, the Queen Mother

Ten new ways THE BIG M provides you with advanced motoring safety

1. New impact-absorbing safety steering wheel, with deeply recessed hub, offers greater protection for the driver during quick stops. The wheel is also positioned for better visibility.

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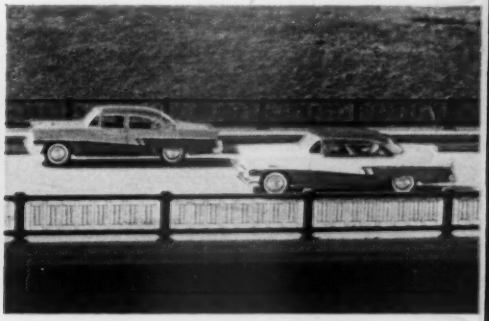
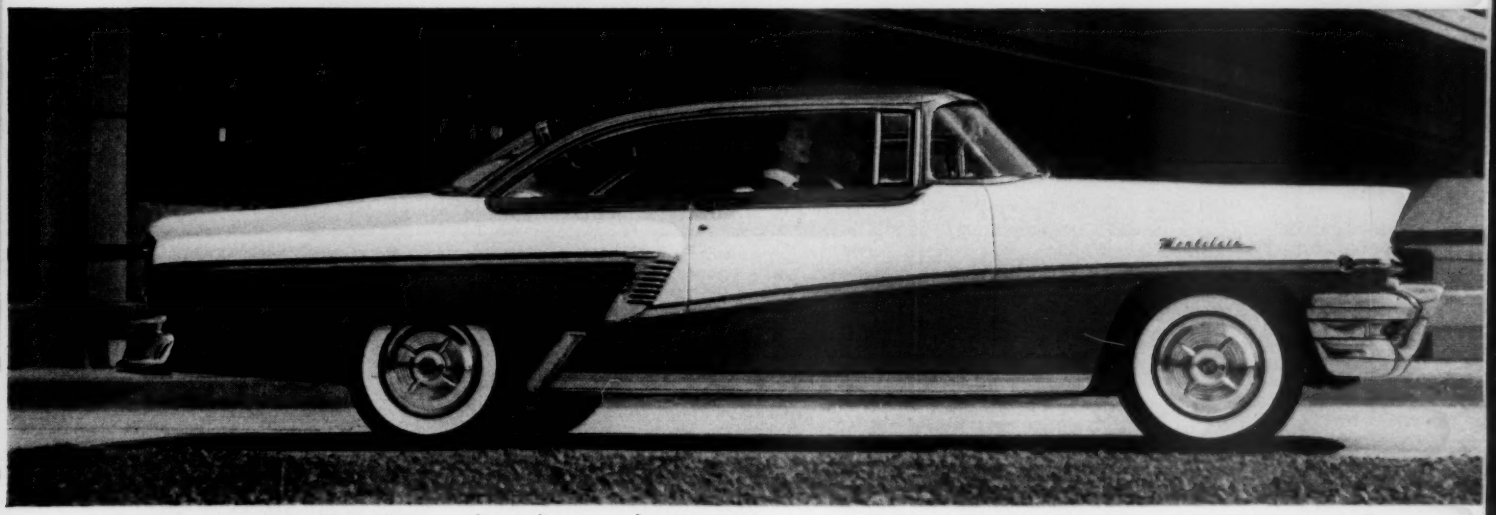


9. New 225- or 210-HP safety-surge V-8 gives you more *usable* power—an extra reserve for greater safety in passing, hill climbing; faster acceleration where you need it most.



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FROM THE CAPITALS OF THE WORLD

GENEVA....CAIRO....HONG KONG....

>> About the most those on the scene expect from the Big Four Meeting at Geneva, the way things are going, is this kind of outcome:

"Spirit of Geneva," however sickly, will be kept alive. No diplomat, Allied or Soviet, wants to be blamed for killing it.

Major concessions are not to be expected from Soviet Russia.

A "wallpaper" agreement, as it's being called, will paper over East-West differences on German unification. But the differences will still be there.

A buck-passing agreement will send disarmament back to United Nations.

On the other hand: Limited agreement favoring more East-West contacts is quite likely. This is something Molotov wants--up to a point.

Main idea at Geneva now is to keep East and West talking. The diplomatic generalities you'll see emerging from Geneva, at the meeting's end, will mean this: "We still disagree, still want no hot war, still want to talk some more."

>> As for encouraging East-West contacts, lifting the Iron Curtain.....

U.S., at Geneva, is listing 17 specific ways in which Moscow can open up Russia, if it's really interested in promoting East-West understanding. U.S. asks Moscow to ease its censorship, and the jamming of U.S. broadcasts.

Molotov usually manages to ignore proposals like these.

What Molotov wants is a flow of strategic goods from West to Soviet arms industries. He'd like U.S. ban on strategic shipments removed. Easing of U.S. controls on nonstrategic exports is welcomed, but isn't what's wanted most.

Molotov approves the visits of Soviet delegations to America, to acquire U.S. know-how. It can be very helpful to Soviet farms and industries.

U.S. officials, however, are beginning to feel that Russia is getting more out of these visits than the U.S. is. As a result, Molotov may have to come up with some concessions before there are many more Soviet tours of America.

>> In the Middle East, to understand what's important about that crisis.....

War between Egypt and Israel is one danger, but not the only one.

Loss of Middle East to Russia is the long-term, underlying danger.

A big Soviet advance has already taken place. Soviet power has arrived in the Middle East in the form of arms shipments, military experts, diplomatic maneuverers, Communist agents. Moscow appears to be in the area to stay.

Russia, for the first time, has a major diplomatic base in Middle East.

Allied defenses failed to prevent this Soviet advance. Soviet strategists leaped clear over the Baghdad Pact, the Middle East's northern defense line, and landed in Cairo. Not with an army, but in ways effective enough to make Soviet power something to be reckoned with in the area from now on.

(over)

The Allies, preparing against a military attack, apparently hadn't figured on a diplomatic invasion--especially under cover of "the spirit of Geneva."

Future danger is that Soviet power, offering cut-rate arms, economic aid and pro-Arab propaganda, may pull the Arab world into the Soviet orbit.

Danger zone thus stretches from Middle East clear across North Africa.

An Arab-Soviet alliance, if it ever comes to that, can undermine U.S. and Britain in Middle East and hamstring Europe's defenses in North Africa.

>> You also notice this about Moscow's leap into the Middle East: Moscow doesn't have to go to war to get a foothold in an area. The Kremlin doesn't send an army to do a job that diplomats can do as well, and at less cost.

Stalin summed up the idea in 1945: "Do not forget that a good foreign policy sometimes counts for more than two or three armies at the front."

>> Up to the time Western diplomats learned about Moscow's arms deal with Egypt, they felt they had the Middle East situation under control.

What the West overlooked, apparently, was this:

Evacuation of the Suez by the British troops weakened the power of the Allies throughout the Middle East. Arab-Israeli friction, with fewer Allied troops in the area, tended to mount. Arab leaders saw a chance to play East against West. Soviet Russia, opposing the Baghdad Pact and encouraged by Arab irritation with the West, decided it was time to make its bid for the area.

All of these developments were under way before and during the Geneva Conference "at the summit" in July, but they were apparently well hidden behind the barrage of Soviet smiles and backslapping.

>> Communist China is reminding the Big Four diplomats at Geneva that there are some unsettled controversies in the Far East, too.

Island of Quemoy has once more come under Communist bombardment. There has been a tendency in the West to forget all about Quemoy.

Port of Macao, a Portuguese enclave on the Chinese Coast not far from Hong Kong, is suddenly the object of a propaganda attack from Peiping.

Question is whether Peiping, in moves like these, is warning the West that bigger moves are in the making. Peiping has been quiet for quite a while.

>> At Hong Kong, the British have a new Communist maneuver to deal with.

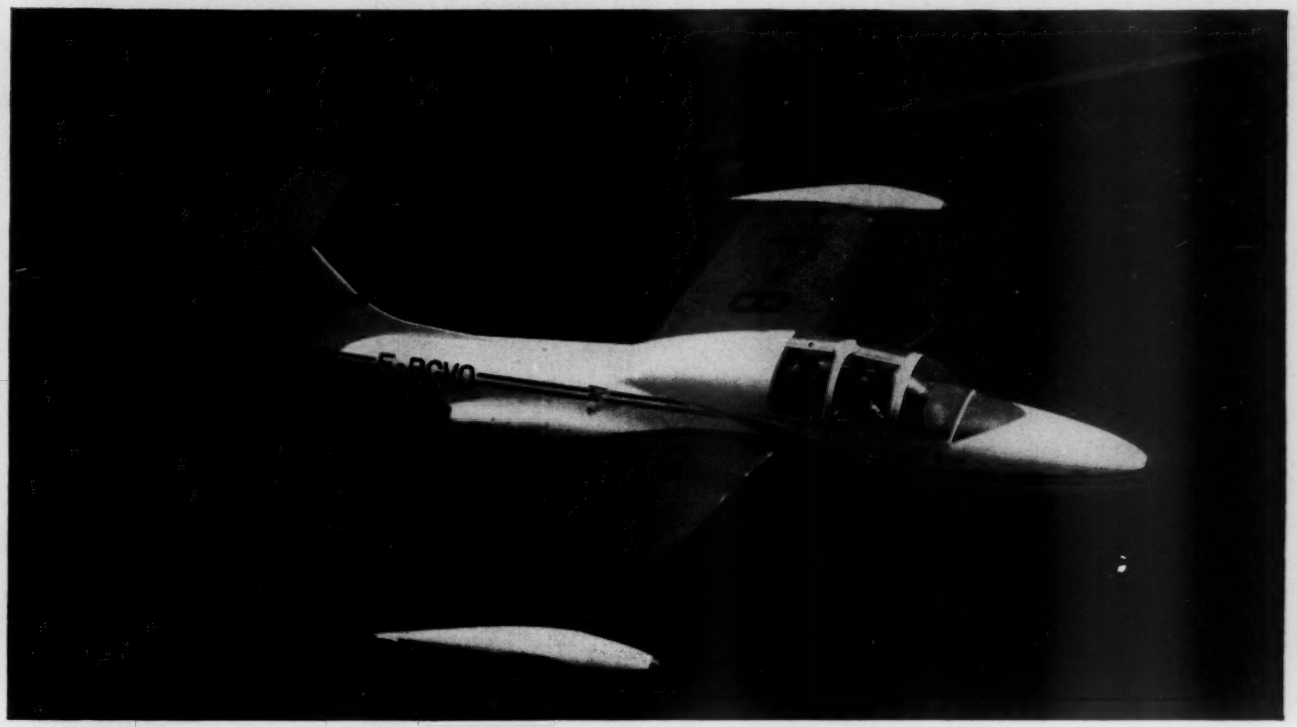
An undercover fight is developing between British shipowners and Chinese Communists. Shipowners like the profits in carrying goods to Communist ports past the Nationalist blockade, but now the Communists are using the ships as "sitting ducks" for an anti-American campaign. Here's how it works:

Ships running the blockade now get radio instructions from Communist ports, saying exactly where to anchor, when to move into port, where to stop and pick up the quarantine officer. These instructions are in the clear, uncoded.

Chinese Nationalists, with these radio reports, have lately damaged several British ships and wounded a number of British seamen.

Communist doctors delight in telling the seamen that U.S. bullets, and U.S. jets flown by the Nationalists, were responsible. It's Peiping's way of propagandizing against U.S. and the U.S. embargo on shipments to Peiping.

The British are protesting strongly to Peiping, demanding that Communists quit pinpointing British targets for Nationalist guns and bombs.



Salute to the Paris

Early in June 1955 the twin-jet, four-place executive airplane PARIS, built by Morane-Saulnier of France with the type designation MS 760, started a demonstration tour of the United States and Canada under the sponsorship of the Beech Aircraft Corporation.

In ninety days it carried a total of 1820 people, not including the pilots. It made 724 demonstration flights from a total of 38 different airports.

It never required a revision of schedule or cancellation of a flight, in spite of an itinerary that was planned sixty days in advance.

Its record of maintenance shows that less than 0.85 man-hours of maintenance time was required per hour of flight time for this 410 miles-per-hour airplane.

It never required a battery cart for starting the two jet engines, or even an overnight battery charge.

The reaction of skilled jet pilots to both its flight and landing characteristics has been uniformly one of enthusiasm and pleasure. One top-level jet expert expressed it briefly, "Goshalmighty, *what* a Doll!"

BEECHCRAFT salutes the Morane-Saulnier designers and constructors for an outstanding achievement and a milestone in aeronautical progress – the MS 760 "PARIS".

This is the route of the "Paris" on Beechcraft's ninety-day nation-wide demonstration tour.

Beech Aircraft Corporation
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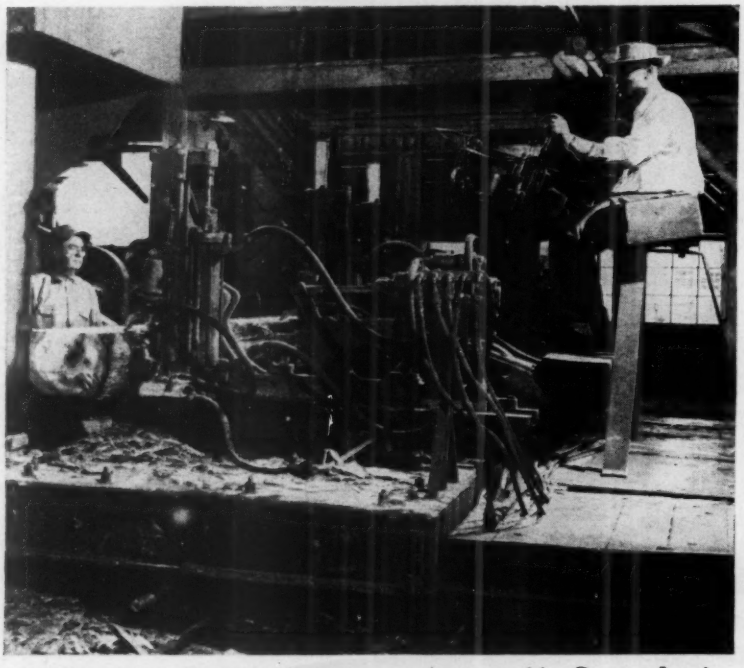
PROGRESS IN DIRECT CURRENT DRIVES

- Industry faces problem of increasing output without increasing costs.
- Automatic processing proves solution for many large and small plants.
- Statistics show growing demand for d-c motors as U.S. business swings to . . .

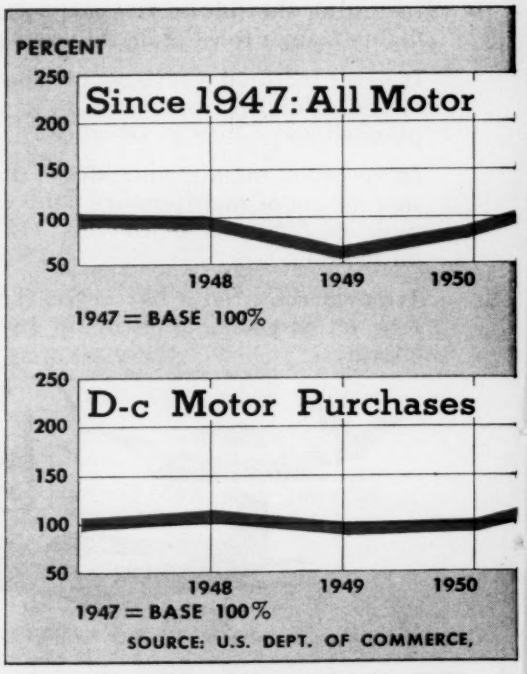
210,000 96-PAGE PAPERS AN HOUR is output of Philadelphia Evening and Sunday Bulletin presses driven by 86 40 hp G-E direct-current motors. Large and small newspapers across the

D-c Drives: The Key to High

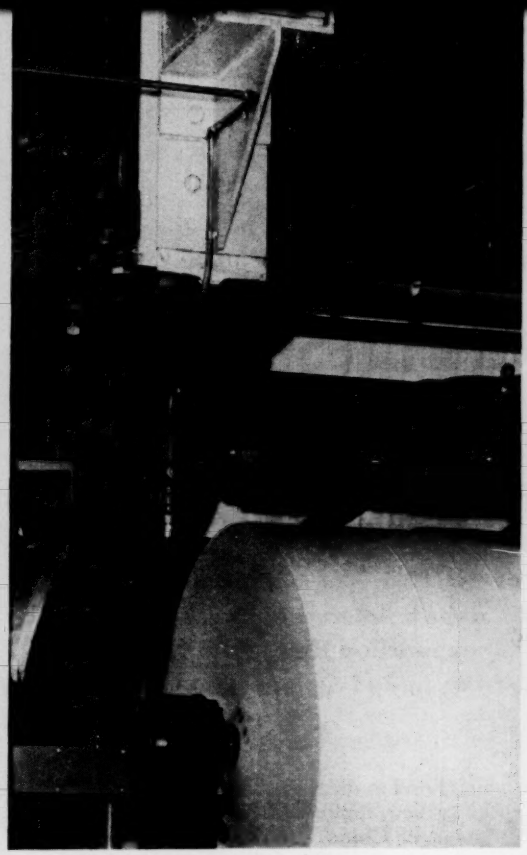


$20,000 A YEAR SAVINGS in steam costs is reported by Crossett Lumber Co., Crossett, Ark., after converting steam-driven log carriages to G-E direct-current drives. D-c motors maintain 220,000 board feet per day output.

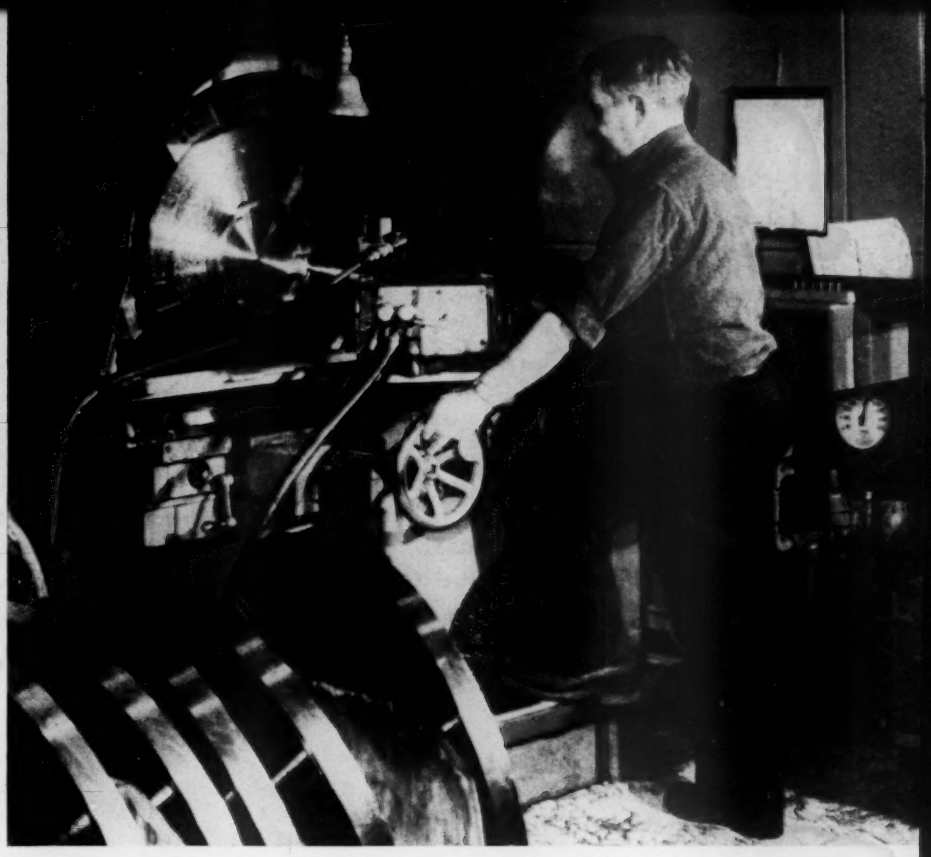
(Advertisement)



DC MOTOR PURCHASES REACH NEW HIGH since end of World War II. In period which saw 20% rise in all motor sales, direct-

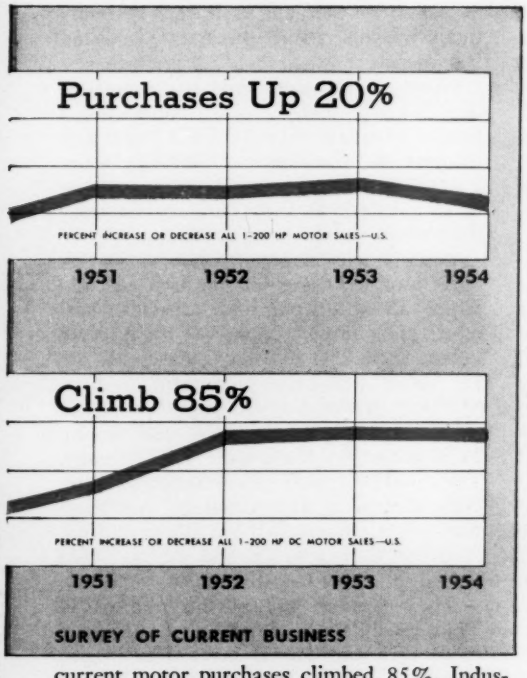


country are swinging to versatile d-c drives which provide an almost infinite number of speed steps, assure smooth acceleration and deceleration of presses, and drastically reduce paper waste.



MACHINING TIME IS CUT UP TO 50% by quick acceleration, deceleration and reversals provided by packaged General Electric direct-current drives. Above, adjustable-speed d-c motors provide constant surface-cutting speed for lathe machining jet engine wheels at the Lycoming Division of Avco Manufacturing Company, Stratford, Conn.

Output, Low-cost Production



current motor purchases climbed 85%. Industry's trend to automatic production has led to the increased demand for d-c drives and equipment.

(Advertisement)

Throughout the U.S., in factories large and small, direct-current motors are meeting the demands of accelerated, low-cost production.

• **Examples**—D-c driven newspaper presses roll out up to 210,000 96-page papers an hour. By converting steam driven log carriages to direct-current drives, one lumber mill reports savings of $20,000 a year in steam costs alone. D-c equipped machine tools have cut machining time up to 50%.

• **Industry-wide**—Steel, textiles, materials handling, mining and many other industries are making greater use of automatic techniques to boost production and lower manufacturing costs. This trend has led to an increased demand for direct-current motors (graphs left).

• **Reasons**—For top efficiency, automatic processing requires controlled high-speed action and drive flexibility. Both of these requirements are best supplied by d-c equipment. In addition, direct-current drives often increase versatility and output of a driven machine to such an extent that cost per unit of production is substantially reduced.

• **D-c power from a-c source**—A-c to d-c conversion equipment, such as G-E Speed Variators and motor-generator sets, enable industry to obtain d-c power simply and economically. Packaged conversion units may be placed next to driven machines or in other convenient load-center locations.

• **More information**—General Electric has specialists for every industrial field in convenient locations throughout the country. Engineers in 149 G-E Apparatus Sales Offices are ready to supply industry with complete information on how d-c drives can boost output and reduce manufacturing costs. *Direct Current Motor and Generator Department, General Electric Company, Erie, Pennsylvania.* 818-2

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Prisoners' Own Stories—

WHAT IT'S LIKE TO BE A CAPTIVE OF RED CHINESE

How many Americans are still caught in Communist China?

A few are being released, but nearly 500 others remain unaccounted for.

What is happening to them? From those who have gotten out comes this account of how the Reds treat their prisoners.

Privation . . . torture . . . threats—these are the weapons used to try to turn Americans against their homeland.

A member of the Board of Editors of *U. S. News & World Report* interviewed released civilians just as they reached Hong Kong. They tell here of their life in Red China.

HONG KONG

"They just . . . tame you, like a wild elephant or a wild horse"—that is how the Rev. Harold W. Rigney, Chicago-born rector of Peiping's Catholic University, describes his 50 months in Communist hands. Imprisoned in Peiping, he was taunted and abused—not only by his captors, but by his cellmates who had succumbed to Communist indoctrination. Father Rigney's account follows:

Q Were you in solitary confinement?

A No, in the same room with others—with Chinese political prisoners.

Q Had you known any of them before?

A No. I was never put in with anyone who had been near to me at the University. They saw to that. They shift you around. You never know what's going to happen. Today, this fellow goes. Maybe, another week, another fellow comes in.

One would be taken out, and I'd wonder where he was going. If he had chains, I'd tell myself: "He's not going to get out very soon."

Q Did they ever chain you?

A Oh, yes. I should say! Not all the time. In the beginning I had fetters and handcuffs. Handcuffs behind my back.

Q For how long?

A Well, the last time, for seven days and seven nights. And, later on, the fetters became very painful. I thought that I'd sooner get shot than to walk 50 feet. The pain was terrible. Made my ankles all raw. Not nice American fetters—they had a few there. But heavy Chinese fetters—rusty, rough iron, full of dirt.

Q With handcuffs, hands behind your back, how could you eat?

A Like a dog. First, they fed me, you see. With a broken spoon. And, at the end, I had to eat like the other prisoners—get your little bowl and lick it up like a dog. One time my food was right over the urine pot. It's not very pleasant to say, but these are facts. Here's the bed shelf, and here's the big urine pot below it—I didn't have much of an appetite.

Q Did you get much to eat in prison?

A No. I got mostly *wo-tao*. I lost 80 pounds from loss of sleep and lack of food and so on.

Q What is *wo-tao?*

A It's made from corn. You take corn meal—there's no salt or no baking soda or anything like that put in it. They just take it and bake it. One bite, and I lost my appetite. And I'd be hungry, and I'd go to sleep thinking of when I'd get my next meal back in America someplace. Two meals a day. *Wo-tao* in the morning and *wo-tao* in the evening. With this, *pai tsai*—white cabbage, boiled cabbage served with the water.

When I went to the work prison, you could buy food every week. I never cared much for sugar before. But there in prison I became sugar-starved. And I wanted sugar. I'd buy sugar, ordinary white sugar. I'd take a little bit of it every day. I'd feel like eating half a pound right away. But no—I wouldn't get any more for Lord knows when.

Q How big was your cell?

A Oh, the size varied. Some of the cells were about 12 feet—no, about 11 feet long. It had the *k'ang*, see, 6 feet of *k'ang*—that's the raised-shelf bed. Then about 5 feet open space.

Q How many people to a cell?

A Usually there'd be seven, eight, up to nine.

Q What did you talk about?

A You could talk about the development of China, socialism. And, to a certain extent, you could discuss some things in your past life. But you had to be pretty careful. You couldn't make friends.

I was isolated. I was put off in one corner and isolated. For about three years I was isolated. And it wasn't funny.

Q Your cellmates—

A If they talked, they wouldn't talk to me as they'd talk to each other.

They would ask me how I felt about the stories and articles about the losses of American soldiers in Korea—so many thousand this month, so many thousand last month.

Now, if anyone had any decency, they'd know that I, as an American, a former chaplain who'd buried American soldiers in the Second World War—I don't like to see my American soldiers getting killed. If they had any decency they never would have asked me.

After I was arrested, about seven or eight months, there was an article in the paper about 35 airmen, American airmen, shot down. Most of them were killed, see. And all the fellows in the cell thought that was wonderful.

These prisoners were supposed to be spies, ex-Kuomintang spies, and so on. Perhaps some of them were, I don't know. They had been very pro-American before. Now they were anti-American. And now they were cheering these 35 casualties. And they'd turn to me and ask me what I thought about it.

They wanted me to approve of it. That I would not do. I had to think of some way out. So I'd say: "That's good shooting, that's good marksmanship." And they didn't like that.

Then they'd ask me: "Aren't you glad all these soldiers got shot or killed?" I said: "No, I'm an American. I don't like to see any soldier die, much less my own country's."

That was the stuff I was in, all the time.

Q After the Korean war, what did they say?

A There was always something—keep the kettle boiling, always. When the Korean war came to an end, they said America was forced to come to peace terms. And America played all kinds of tricks to delay the peace talk in order to prolong the war.

Q When it was really the Reds who were stalling—

A Well, I don't know, I was off so long that I couldn't figure it out.

Q Were your cellmates just trying to save their own skins?

A You have to make allowances—after all, they had families. Most of them had children. They had no powerful government, like I had, to fight for them. They had to make their own way. So, the longer I was there with them, the more I understood and I really began to feel sorry for them. In the beginning I was disgusted by them, very disgusted. But, later on, I could see that it was, "You're going to do this, or you're going to get shot."

On Easter, 1950—I call it "Black Easter"—199 were shot publicly in Peiping. It was in the papers—that was before I was jailed. And the next year they shot very few. It kind of died down. But here was the memory, the impression on everyone's mind: "If I don't convince the Government that I'm at least pro-Communist, I'll be shot."

Q So your cellmates carried out orders—

A Everything I said, everything everybody said was written down and reported. By the *tzu chiang*—

Q What's *tzu chiang?*

A They're the ones who come over and shout at you. It would go on for hours. Get all around you and make you stand up and submit you to all kinds of minor tortures—like making you stand. You'd have to close your ears. You get tired later on.

Q This went on for how long?

A I was arrested in July, 1951. I was sentenced a year ago. Given a 10-year sentence. And I was taken from where I had been, Tsao Lan Tse Prison, over to the matchbox factory.

We never worked in Tsao Lan Tse—it was all study and confession and all these other things. Over in the factory they continued these studies, and so on, but then we made matchboxes.

Q Why did they finally release you?

A Well, the day I was released they told me about this conference they were having in Geneva, on the ambassadorial level. Between America and China. So they said: "You're being released because you have worked well, you have shown that you have reformed, admitted your crimes." No one gets out unless he admits his crimes.

Q What crimes did you have to admit?

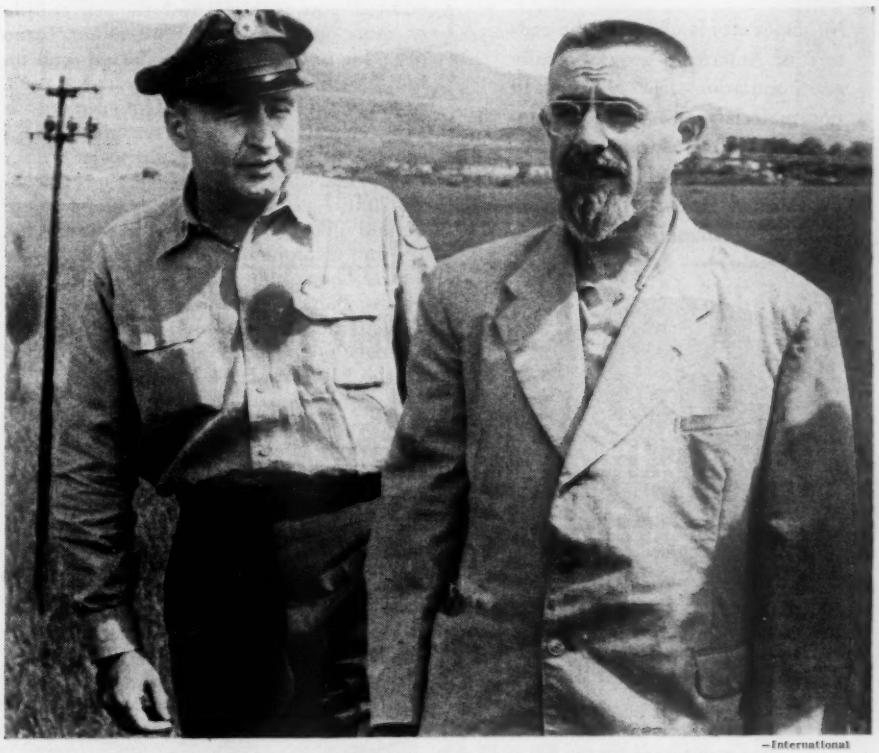
A Well, I'm not a spy. I refused to admit that I'm a spy.

Q Then, when the Chinese said you admitted your crimes—

A Take one word. We mean this, they mean that. And they get you to use this word, in your meaning, and, later on, impute their meaning. And so, as time goes on, you get to talk and think the way they do.

Q Were many prisoners actually guilty of crimes—spying, for instance?

A Of course, according to the Communists practically everybody is a spy. Anyone who has any sense perception—seeing or hearing or smelling—collects intelligence. He's a spy. Anyone who can write or transmit in any way, he is transmitting intelligence. So they have everybody.



—International

FATHER RIGNEY (RIGHT) AND RED CROSS OFFICIAL
"I lost 80 pounds from loss of sleep and lack of food"

And you were given to understand that, the more you confessed, the better you confessed, the quicker you'd get out. So prisoners were inventing things, all kinds of false confessions.

Q They don't tell you what to confess?

A Well, that's the trick to the whole thing, you see. You're arrested, and you're supposed to confess, and then the prisoners are confessing everything they can think of in order to hit it. This way they get much more out of you than if you simply say, "You are charged with having done A, B, C."

Q What if you satisfied them?

A You'd be kind of a respected member in the cell. Perhaps you'd get to the reformatory. I never was in the reformatory, but I heard that you could buy food every week, were even allowed to smoke. They could leave their cells to go to the toilet, with the permission of the cell leader, I suppose.

Q Then anybody can be broken by the Communists—or get shot?

A Or go crazy. That's right. And people kind of smile and—"What did you do this for?" and, "What did he do that for?" And make all these blustering remarks and demonstrations for their own courage. But you go there yourself for a while.

They just tone you down, tame you like a wild elephant or a wild horse, put you in chains for a while, let you think about things. No one to help you, no one can help you. The People's Government is so strong. They can keep you there for life. The strongest person—I've seen them

(Continued on page 60)

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[*continued*]

LIFE IN RED CHINA'S JAILS

all—eventually breaks down. And the Communists, they say that, "You either change your mind, destroy those reactionary thoughts, or we will destroy them when we destroy your body. Have no illusions about this."

Q Did you believe we used germ warfare?

A Oh, that was an awful period in my life. When I read the first confession by an American flier—it was printed in the paper—photographed, his handwriting—I thought: This is not conclusive. I knew how they forced you to say what they wanted you to say. And then a couple of more germ-warfare confessions came out. Then my cellmates started out on me: "Well, what about it?" I said: "Well, perhaps the American Government is experimenting in germ warfare, but I don't believe it's on a full scale." They didn't like that at all.

Then I think the State Department denied germ warfare. I was very glad. I found it in one of the Communist magazines. Then, about the same time, some of the fliers went back to America and denied their confessions. Then the Communists got furious and they published all the 21 confessions—Schwable [Marine Col. Frank Schwable] and so on.

Sure, some of these confessions agreed on certain vital points, but I can understand that. They tell you what to say, and, if you don't say it, they put down exactly what to say—even change your confession.

Q When they think they've gotten all they want out of you?

A Oh, sure. Schwable, for instance. He's no coward. Something's happened to the poor fellow. I don't know if the poor man was punished or not. But the American Government will be on the side of the Communists if they punish him.

Q Do you have the feeling that China is making economic gains under the Reds?

A Oh, yes, there's no doubt about that in Peiping. It's always been a beautiful city and now it's much more. Trees—a great deal of gardens and so on. When I left, in most places you couldn't see the Western Hills. All buildings put up. Factories, with these dwelling houses for the workers. They claim there are going to be 30 universities there when they finish.

As far as I know, most of the buildings are modern. We foreigners were breaking our necks to put up Chinese-style buildings to please the Chinese. And the modern Communists are disregarding that. They're going ahead and putting up modern buildings under the supervision of their Soviet advisers.

Q What do the people themselves think of us?

A My impression is that we've lost face tremendously in China, because of the loss of the Korean war—the so-called loss of the Korean war. They say, "See how weak is America, this paper tiger!"

Q What are your feelings about China now?

A It's a world that's fantastic, unbelievable. I like the Chinese people. And,

—Wide World

MISS DOROTHY MIDDLETON
"It seemed that everyone had the same viewpoint"

since I've gone through what I've gone through, I understand a lot that I didn't understand before.

Q What are your plans?

A All I want to do is forget what I've gone through. I used to be gay and happy and crack jokes. But in prison I never laughed. Nobody laughed, except a half-hearted laugh. And I felt there was something in me that was gone. I'm getting where my sense of humor is coming back again. I thought perhaps it would never come back—that I'd go just like an old man, just go out of the picture. I would not be interested in people, interesting people would not care to talk to me any more—like a decrepit has-been. I felt that way.

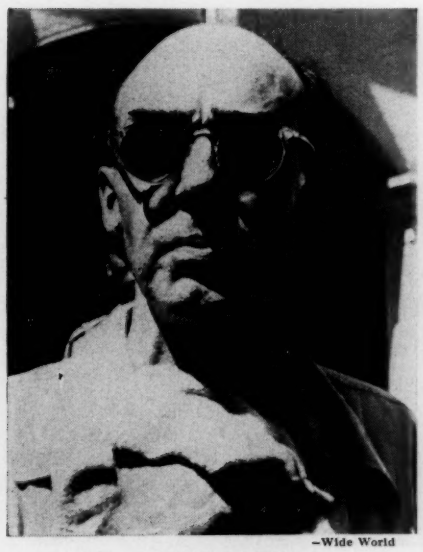
"You cannot get out of it, you have no defense," Father Joseph E. Hyde says about Communist legal traps. He and two other priests, under house arrest in Foochow, were kept apart, in separate rooms, for 24 months. They were brought to trial on September 11 of this year and expelled from China. Father Hyde was charged with spying on an airfield, and with several minor offenses. His comment:

Q Did they force you to sign a statement before your expulsion?

A They had a Government document with official stamp and so on. "I won't sign it as it is," I say. They say: "Write what you want here, then sign"—pointing to the bottom of the page.

We had no defense. Did I break a law? I did not know there was a law. They said: "You should have known there was a law. You broke a law by not knowing there was a law, and by not abiding by

(Continued on page 62)



—Wide World

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"We had no defense"

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[*continued*]

LIFE IN RED CHINA'S JAILS

that law you did not know." You cannot get out of it, you have no defense.

"Mind changing" is what the Communists prefer to call the brainwashing of anti-Communist prisoners. Miss Dorothy Middleton, a 42-year-old missionary nurse who spent four and a half years in a Canton prison, tells about it:

Q Did the Communists make any attempts to indoctrinate you?

A Well, yes, they would like—I mean, wouldn't they want the world to follow? Their idea is world peace; of course, they have their ideas and they're strong for their ideas, as I am for the Lord.

Q What did you read?

A Oh, they gave us magazines, with pictures sometimes—a colored picture, like the Anshan steel mill in full swing. Magazines and newspapers and their books, all telling of their progress.

Q Did Communism win over the prisoners?

A They couldn't give their full opinion, but it seemed that everyone had the same viewpoint. There seems to be a unity I never saw before.

Q What happened to those who disagreed with the Communists?

A They are taught to change their minds. They study, and they reach the stage when they understand, then they're allowed to go. In that way, these people against the Government are brought into the realization of the benefit of the Government to the people as a whole. The thought they give you is: You have to change your mind, they won't hurt you. They say they never physically use force. They never touch a person; their idea is, through the mind, to persuade people or to show them how they are hindering the progress of China.

Some American prisoners got the impression of economic bustle and improvements in Red China. One of them is the Rev. Levi A. Lovegren, a Baptist missionary jailed in January, 1951, and held for 56 months. On his release, this is what he said:

Q Can you make any comparison between the old China and the new?

A [Laughing] Well, in prison, I'd been reading the papers. And, of course, everything's lovely, according to the papers. But I noticed they're rationing clothing and food.

But I think that they are really doing all they can, according to their ideas, to help the poor people. I really think they are.

Q Is that from what you've read or what you've been able to see?

A Well, I noticed coming down here [to Hong Kong] that the people were dressed better than they used to be. That's one thing I could see. They've done a lot of building for people, for factory people. I noticed that. I've seen a lot of buildings everywhere—new buildings.

What about the Chinese people themselves? Are they anti-American? Mrs. Pieter Huizer, formerly of Chicago, and her Dutch husband—a banker—continued to live in their seven-room Shang-

—Wide World

THE REV. AND MRS. LEVI A. LOVEGREN
Chinese have "done a lot of building"

hai flat for six years after the Communist occupation. Arriving in Hong Kong, she was asked:

Q What about American movies—are they still showing?

A Of course, the cinemas, which used to be all American movies—almost all, a few British—very shortly after the liberation became all Chinese and Russian.

Q Did you get foreign books and magazines?

A American magazines are all illegal. If you had them around the house, even if you'd just had a police check and didn't expect them again for a month, you locked up the magazines so the servants wouldn't see them. When you go upstairs, you take them along. If you're going to be out of the room for a few moments, you stuff them under the cushion of your chair.

Q Did you have Chinese friends?

A Yes, a very few. Certain Chinese were allowed to associate with foreigners. Most Chinese were not only discouraged, but they were incessantly questioned and persecuted if they continued to see foreign friends.

Q Did you run into any great hostility because you were an American?

A The people in the streets, the great middle class, actually are not antiforeign. The Chinese really are nice people, good sense of humor, and they're generally nice people. So that on the street—at the beginning, certainly—there was never any antiforeignism. During the Korean campaign there was some, but they were obviously people who had been talked to by their unions or residential associations, and were rather stirred up. I remember once being spat at, for instance. But only once.

—International

MRS. PIETER HUIZER
"The people . . . are not antiforeign"

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THE MEN ..Truman and Byrnes **THE NEWS** ..Former Friends

MR. TRUMAN

The Latest Round In a Famous Feud

Truman vs. Byrnes—a celebrated and sizzling feud. Now appears a blow-by-blow account of what the two men, once firm friends, have been saying about each other, and why.

MR. BYRNES

TWO OF THE NATION'S better-known citizens now have been firing verbal blasts at each other intermittently for years. This feuding involves:

- Harry S. Truman, former Senator, Vice President and President of the United States; and
- James F. Byrnes, former Senator, Supreme Court Justice, Director of War Mobilization, Secretary of State and Governor of South Carolina.

For a very long period, the two Democrats were closely associated and on the most cordial terms. They fell out. Since then, there have been bitter recriminations. Each has questioned the recollection of the other.

Meanwhile, many puzzled people have been asking what it is all about. Now much of this highly personal conflict is summed up in Mr. Truman's newly published "Memoirs" and a replying statement by Mr. Byrnes.

It all begins with the circumstances under which Mr. Truman received the vice-presidential nomination in 1944.

Picking a Vice President. As Mr. Truman tells the story, he was about to leave his Independence, Mo., home for the Democratic National Convention in Chicago, when the telephone rang.

"It was Jimmy Byrnes calling from Washington," the Truman memoirs relate. "He told me that President Roosevelt had decided on him as the new nominee for Vice President, and he asked me if I would nominate him at the convention. I told him that I would be glad to do it if the President wanted him for a running mate."

Other men, Henry A. Wallace, Associate Justice William O. Douglas, were under consideration at the time, with some evidence of Roosevelt support. However, Mr. Truman writes, "when Byrnes called to tell me that Roosevelt had decided to have him on the ticket for his fourth term, I took it for granted that all the details had been arranged."

There followed for Mr. Truman a round of conferences with party leaders and powerful labor-union leaders. In the course of these sessions, he learned that Mr. Byrnes was unacceptable to labor, and he himself was urged increasingly to take the nomination.

"I reported all these conversations to Byrnes in detail," the memoirs say.

Mr. Truman's surprise. Mr. Truman says he was aware that President Roosevelt had stated in writing that either Mr. Wallace or Justice Douglas would be acceptable to him as a running mate. Consequently he was surprised when Robert E. Hannegan, Democratic National Chairman, produced a memo, scrawled on White House stationery, saying: "Bob, it's Truman. F.D.R."

The authenticity of the document was confirmed later by telephone in Mr. Truman's presence. Mr. Truman says Mr. Roosevelt's voice came in so strong that he could hear both ends of the conversation between the President and Mr. Hannegan. With great reluctance, the memoirs say, Mr. Truman consented to enter the race. He adds:

"My first act was to go over to the Stevens Hotel and report to Byrnes the President's conversation with Hannegan and my decision to do what the President wanted."

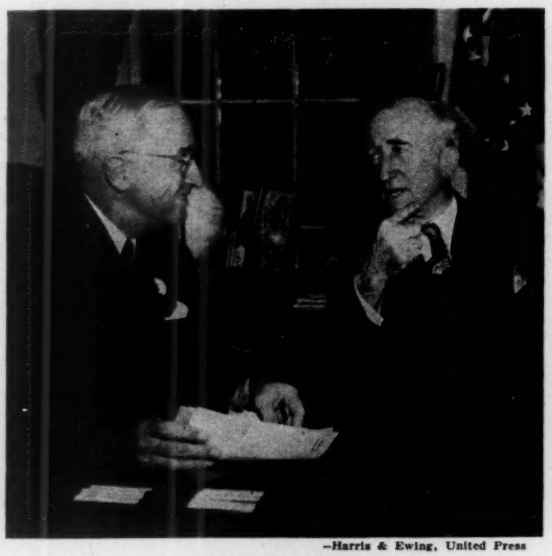
Mr. Truman also says he learned later that, some time before the Convention, Mr. Roosevelt called a meeting of party leaders, told the conferees he would prefer Mr. Truman over Mr. Wallace, Mr. Douglas or Mr. Byrnes, and issued instruction that Mr. Byrnes be notified of this decision.

"I believe, therefore," the memoirs add, "that Byrnes knew that the President had named me at the time he called me in Independence and asked me to nominate him at the Convention."

In reply. Mr. Byrnes has this to say of Mr. Truman's recital of events:

"It was shocking to read that Mr. Truman believes I deceived him with reference to the vice-presidential nomination in 1944. I did not tell him President Roosevelt would advocate my nomination. I did not know that the President favored him.

"Prior to my talk with Mr. Truman, President Roosevelt, in a conversation over the telephone of



—Harris & Ewing, United Press

THE OLD DAYS
. . . memories differed sharply

which I have shorthand notes, told me political bosses had expressed a preference for Mr. Truman or Mr. Douglas, but that he had expressed no such preference."

Cabinet appointment. The Roosevelt-Truman ticket was elected. Mr. Roosevelt died. Mr. Truman became President. One of his first acts was to invite Mr. Byrnes to the White House. The memoirs say:

"During our discussion I . . . told Byrnes that I was considering asking him to become Secretary of State. . . . A number of factors influenced me. The first of these was the question of succession to the Presidency. Under the law, as matters . . . stood, the next man in line after me was the Secretary of State. . . .

". . . I felt it my duty to choose without too much delay a Secretary of State with proper qualification to succeed, if necessary, to the Presidency. At this time I regarded Byrnes as the man best qualified."

In addition, Mr. Truman says that Mr. Byrnes "undoubtedly, was deeply disappointed and hurt" at losing the vice-presidential nomination. The memoirs add:

"I thought that my calling on him at this time might help balance things up."

Retort. Regarding this point, Mr. Byrnes has this to say:

"It is difficult for me to understand how Mr. Truman could possibly have asked a man he believed guilty of deceit to occupy such a position of trust as Secretary of State—particularly since he states he selected me because of his belief that I was the man best qualified to succeed to the Presidency in case of his death."

In the Cabinet. Mr. Byrnes became Secretary of State and, the memoirs reveal, Mr. Truman soon grew dissatisfied. He complains that Mr. Byrnes asserted too much personal independence, took too much upon himself.

"More and more during the fall of 1945," Mr. Truman says, "I came to feel that . . . Byrnes was beginning to think of himself as an Assistant President in full charge of foreign policy. . . .

"The conference of the Council of Foreign Ministers at Moscow in December 1945 produced a situation that made it necessary for me to make it plain to Byrnes that he was not carrying out the foreign policy I had laid down. . . ."

Returning from that conference, Mr. Byrnes was summoned to report to Mr. Truman on board the presidential yacht *Williamsburg*, anchored in the Potomac at Quantico.

"We went into my stateroom when he arrived, and I closed the door behind us," Mr. Truman writes. "I told him I did not like the way in which I had been left in the dark about the Moscow conference. I told him that, as President, I intended to know what progress we were

(Continued on page 66)

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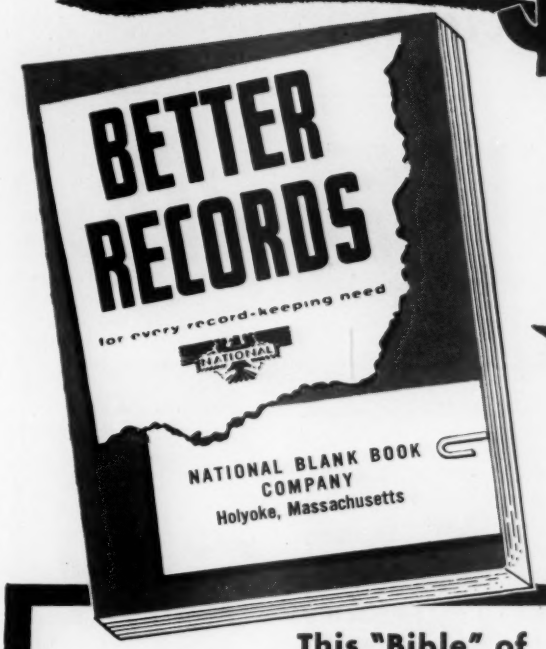

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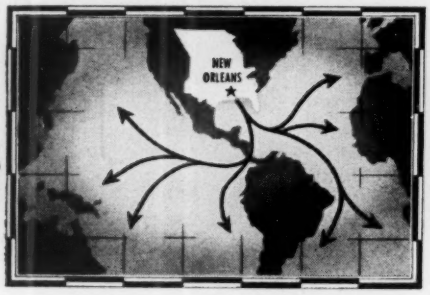

Mr. Truman: "I said I would not tolerate such conduct" . . .

making and what we were doing in foreign negotiations. I said that it was shocking that a communiqué should be issued in Washington announcing a foreign-policy development of major importance that I had never heard of. I said I would not tolerate a repetition of such conduct. . . .

". . . Byrnes, I concluded after studying the entire record, had taken it upon himself to move the foreign policy of the United States in a direction to which I could not, and would not, agree. Moreover, he had undertaken this on his own initiative without consulting or informing the President."

Mr. Byrnes's reply. The former Secretary of State takes direct issue with much of this.

"It is regrettable that Mr. Truman in his memoirs portrays our relations at the time I was Secretary of State as being so different from what the evidence shows them to have been," Mr. Byrnes says.

". . . I always had the impression, while I was Secretary of State, that Mr. Truman had unreserved confidence in me. I certainly endeavored to consult him on problems likely to confront us in international conferences and to keep him informed of the progress of negotiations. . . ."

Then Mr. Byrnes adds: "Had President Truman read to me in January, 1946, the 'lecture' he now reports, I certainly would have resigned immediately; not in personal pique but because of my deep conviction that the President of the United States must at all times have complete confidence in his Secretary of State, and that it would have been detrimental to the national interest for me to remain in office if I did not enjoy such confidence."

Resignation. After the scene that Mr. Truman says took place on the yacht, Mr. Byrnes stayed on as Secretary of State for a year. Of that period Mr. Truman says:

"In all subsequent relations, until he finally left office, Secretary Byrnes took great pains to keep me posted on what was going on. He would call daily if telephone connections were available, and his dispatches to the State Department would be placed before me regularly."

After Mr. Byrnes's departure from the Government, Mr. Truman reports, the two "exchanged a number of friendly and personal letters. . . ." Mr. Truman adds: "It was not until the civil-rights issue made him bitter and distant that our contacts diminished."

. . . Mr. Byrnes: a quip that struck "too deeply"?

Again, Mr. Byrnes has a different account:

"Subsequent events have greatly altered the relationship that existed when I was a member of the Cabinet; but I do not conceive that any subsequent event could change the cordial relationship that existed while I was in office and for two and one-half years thereafter.

"Those relations remained cordial until I made an address at Washington and Lee University in June 1949 in which I was critical of the degree of Government spending occurring in the domestic field. Mr. Truman did not like that speech and wrote me a note in which he said:

" 'Since your Washington and Lee speech I know how Caesar felt when he said, "Et tu Brute." '

"In my reply to this note, I wrote to him that in my speech there was no mention of him and my criticism was of the trend of both political parties. In concluding, I said:

" 'I hope you are not going to think of me as a Brutus because I am no Brutus. I hope you are not going to think of yourself as a Caesar, because you are no Caesar.'

"I fear my shaft struck more deeply than I had intended. Certainly, there was no thought of accusing him of playing the part of Caesar.

"That ended our cordial relations."

"Kindest regards." Mr. Byrnes goes on to say that he did not hear from Mr. Truman again for three years. Then, the President sent him a "de luxe copy" of the book, "Mr. President," by William Hillman, based on Truman papers and diaries and including personal comments by Mr. Truman. It was inscribed:

"To my former good friend with kindest regards, whose friendship I would still value most highly!"

Continuing with his statement on the memoirs, Mr. Byrnes concludes:

"It is difficult to reconcile Mr. Truman's privately expressed desire for my friendship with his publicly expressed reflections upon my integrity and my public service.

"I regret that my criticism at Washington and Lee University of a domestic policy has altered his recollections of vital issues of foreign policy on which we were in complete agreement while I was Secretary of State."

With that, and for the time being, Mr. Byrnes had the last word. But there are those who doubt that the fueding is ended. The second volume of Mr. Truman's memoirs still is to be published. And Mr. Byrnes says: "I shall, in a calmer atmosphere, write further on these subjects."

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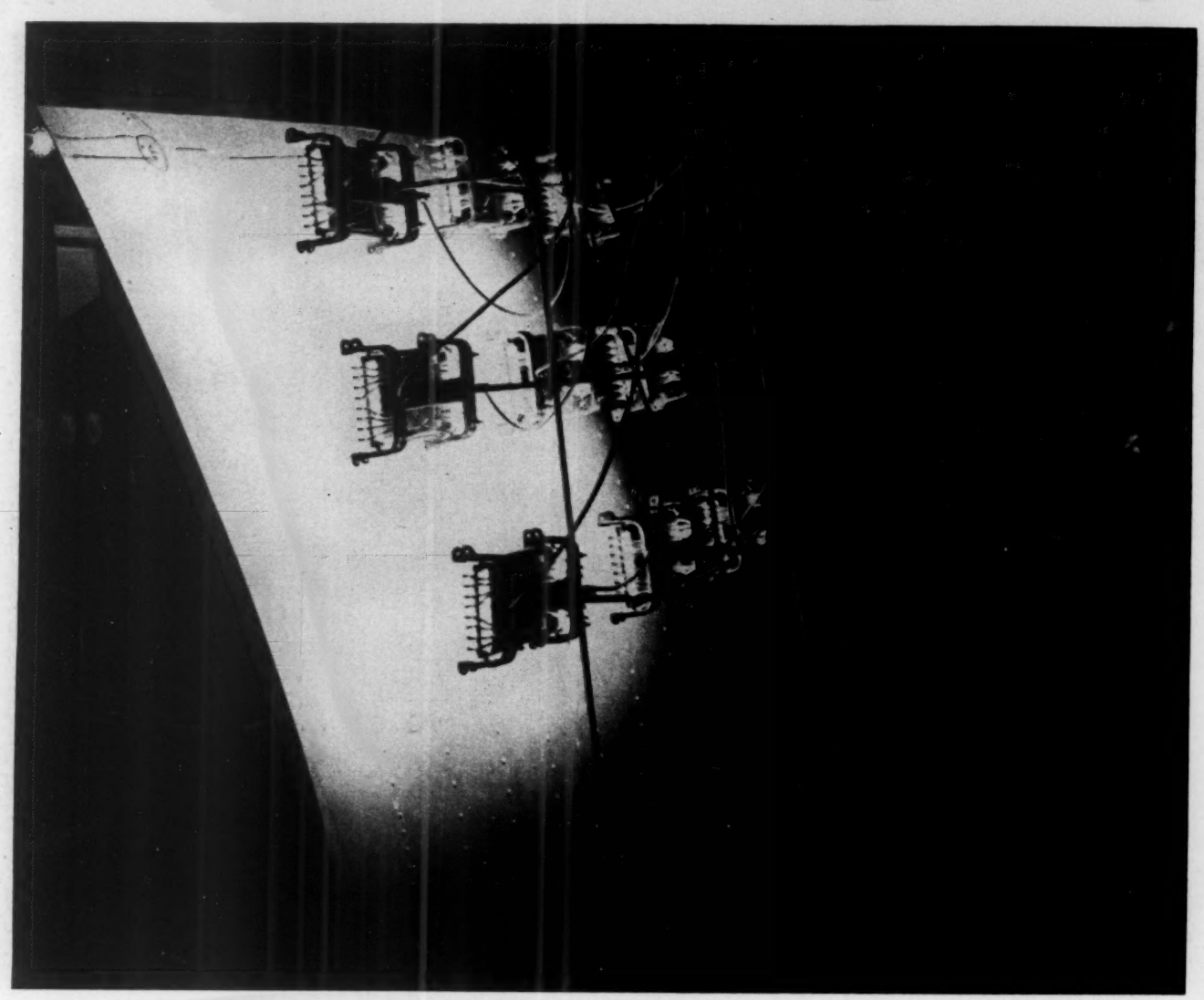

Penetrating the "thermal thicket"

Flying at two to three times the speed of sound, airplanes and missiles enter the "thermal thicket," where heat is so intense that rubber and plastics as we know them melt, lubricants boil away, and aluminum grows weak as butter.

New materials and designs, and new testing techniques, are being developed to cope with these and other problems of supersonic flight. If test equipment does not exist, Boeing engineers create their own—as they have in the test device shown above. It raises the temperature of the metal "skin" section 700 degrees or more in a few seconds, to simulate the sudden temperature rise that a fast-climbing missile encounters.

Such tests carry Boeing engineers another step forward through the "thermal thicket." But with each step, new and greater obstacles appear.

Many of Boeing's 6,000 engineers are busy meeting these challenges. They are developing an air conditioning system, adequate for a small hotel, to keep men and equipment cool in the searing temperatures of supersonic flight. They are working with researchers in other industries to produce new heat-resistant materials . . . better insulation . . . electrical systems that won't break down under heat . . . new tires and ways of cooling them where conventional ones would blow out, then melt, then burn.

As a contribution toward aviation progress, Boeing provides laboratory facilities for research and development probably not equalled by those of any private concern in the world. But even more important are the men themselves. Their skill, imagination and devoted research will bring you even more powerful weapons of defense, and faster, safer, more comfortable transportation in the epoch of supersonic flight just ahead.

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IN YOUR PERSONAL PLANNING

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How the national food situation in months ahead will affect your shopping list for groceries is sized up by a Department of Agriculture survey:

FOOD OUTLOOK. The Department sees little prospect of a change--aside from seasonal variations--in the price tags on items you'll be choosing from grocery shelves. Its experts think your total outlay for food may go up a bit. But that's to be largely because of heavier buying of the more expensive, highly processed commodities--ready-cooked frozen foods, for example.

SUPPLIES AND COSTS. For specific foodstuffs, here is what the Department's analysts say you can expect in the months ahead:

Beef--Output up a little the rest of 1955, probably slight decline thereafter. Price rise for choice cuts next year, but not to last winter's highs.

Pork--Cheaper and more plentiful, particularly through first half of 1956.

Lamb and mutton--Supplies per person to be lower; competition from other meats, though, will tend to keep prices about what they are now.

Fish--Fresh-shrimp, canned-fish prices up. Salmon pack smallest in decades.

Poultry--Thanksgiving and Christmas turkeys to be more costly than last year's. Chicken supply, especially broilers, somewhat larger in early 1956.

Eggs--Downward price trend from now to next spring.

Dairy products--Milk to sell a trifle higher; other products, little change.

Fruits--Record supplies of canned fruits. Plenty of canned juices. More fresh apples and pears but fewer fresh oranges. Nut crops off, prices up.

Vegetables--Heavier supplies of potatoes, but most fresh vegetables scarcer this winter than last. Canned and frozen vegetables: not much change pricewise.

RESERVISTS. What job rights has a youth who quits work to go into the Reserve program that provides six months' military training in place of the regular two-year draft? The law entitles him to his old job back, or one of like seniority, status and pay, the Department of Labor says. He can't be arbitrarily fired for six months after returning to his job. But he must ask for re-employment within 60 days of his release from service. The regular two-year draftee has 90 days in which to ask for his old job back, and gets a year's protection against being unjustly fired.

TV. Being included in a scene shown on a television newscast doesn't necessarily give a person grounds for a damage suit against the TV station. So

(over)

decides the Florida Supreme Court. The case arose when a customer buying a newspaper at a cigar shop was televised during a police raid that sought gambling evidence. The Court held the telecast didn't injure his reputation.

CHECKING ACCOUNTS. To answer a reader's query: Joint checking accounts for a husband and wife offer a number of conveniences. But banking experts often advise keeping some funds in separate accounts to avoid financial difficulties that can arise should one spouse die. In some States, joint checking and savings accounts are frozen by law on the death of one of the holders. The survivor can't get at the funds until certain legal requirements are met.

INTEREST FROM BONDS. The Internal Revenue Service lays down a rule about reporting income from bonds--such as Series E bonds--which pay no interest but increase in value over the years. The law gives you a choice of reporting the increase yearly as it builds up, or in a lump sum after the bond is cashed or matures. But, IRS says, you can't make that choice in an amended return or in one turned in after the regular filing deadline has passed. It can be done only at the time Congress provided--at the normal tax-filing date.

FACTS BOOK. The mammoth 1955 "Statistical Abstract of the United States," put out by the Census Bureau, now is off the press. The book contains 1,064 pages of facts about the U.S. and its people. Available from the Government Printing Office, Washington 25, D.C. Price, $3.50.

NEW DRUGS. Exciting new results are reported for the tranquilizing drug, reserpine, and a similar chemical, chlorpromazine. Among findings, taken from recent accounts at medical meetings and in medical publications:

Mentally retarded children improved in behavior, developed higher I.Q.'s.

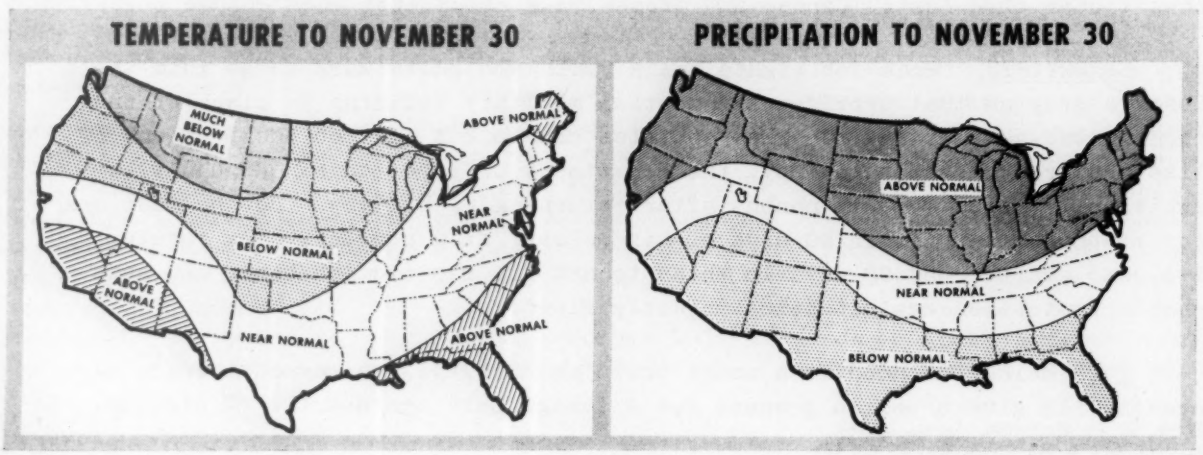
Patients with the excruciating heart pains of angina pectoris had both severity and frequency of attacks reduced.

Dogs were cured of carsickness; mares that spurned foals were made normal.

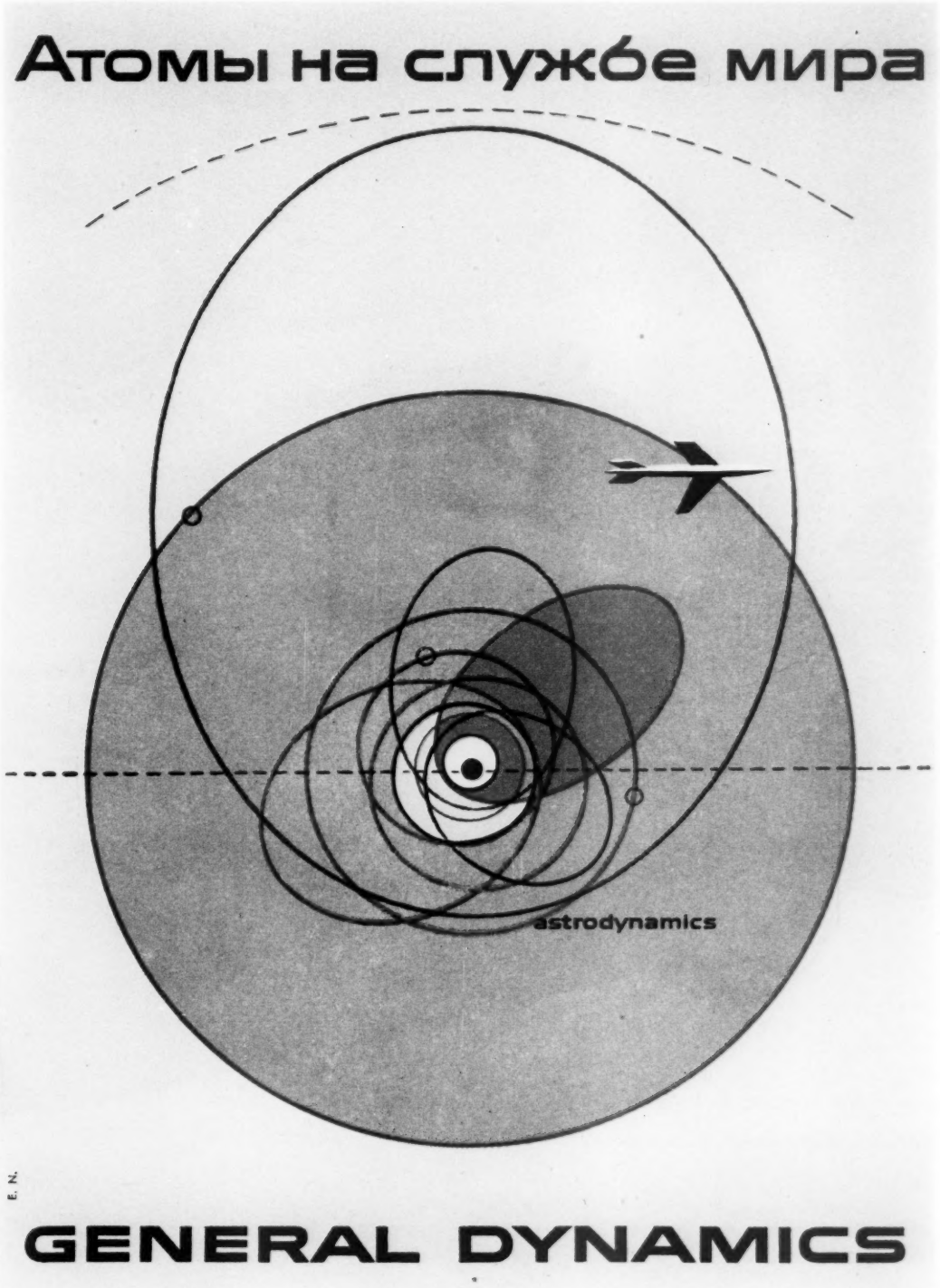
Skin diseases have been made less severe, and intolerable itching relieved.

Prospects for recovery in mental disease have risen to 90 per cent from 65.

WEATHER. For some parts of the U.S., large week-to-week temperature fluctuations and more rain and snow than normal are due. Here's what the maps show:



Third in the "Atoms for Peace" international poster series displayed by General Dynamics at Geneva. Man's last physical frontier is outer space. Advances in atomic technology, rocketry and electronics may make interplanetary travel a reality within the next fifty years.



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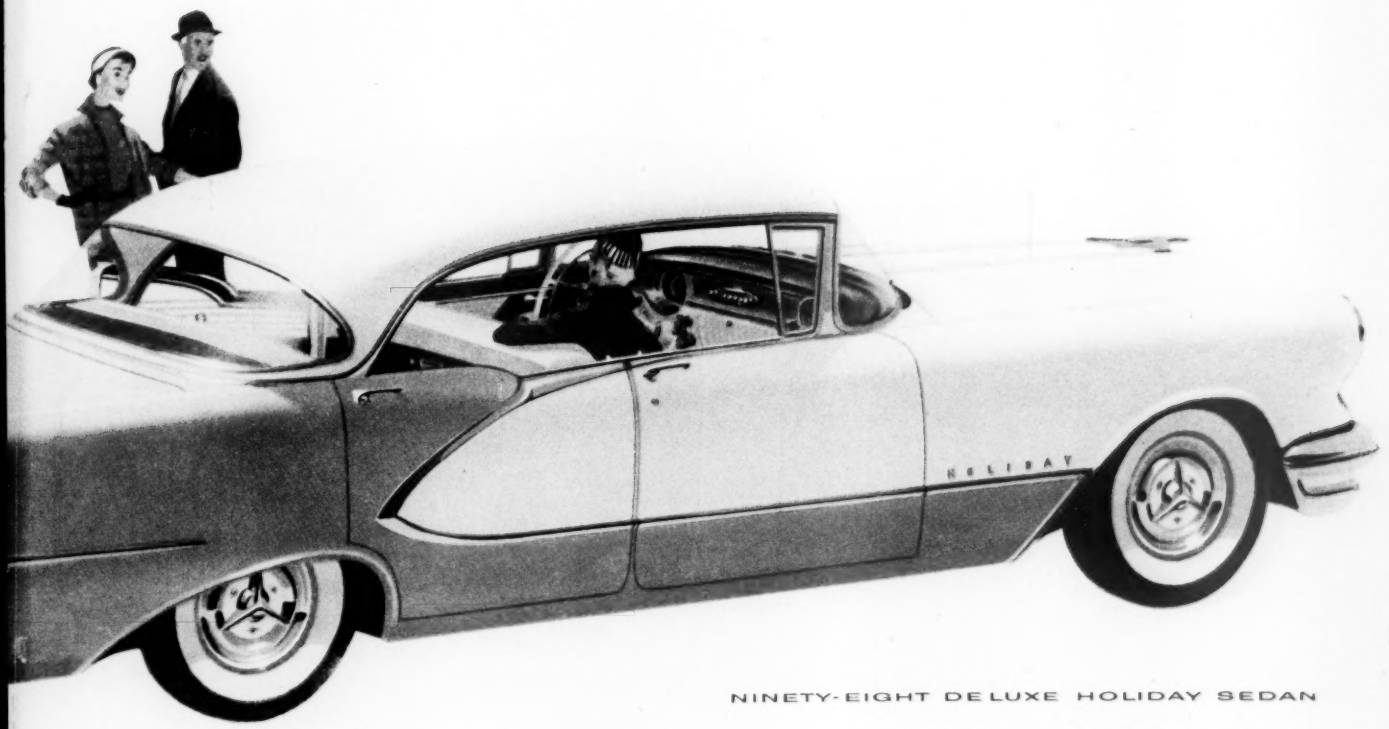

NINETY-EIGHT DELUXE HOLIDAY SEDAN

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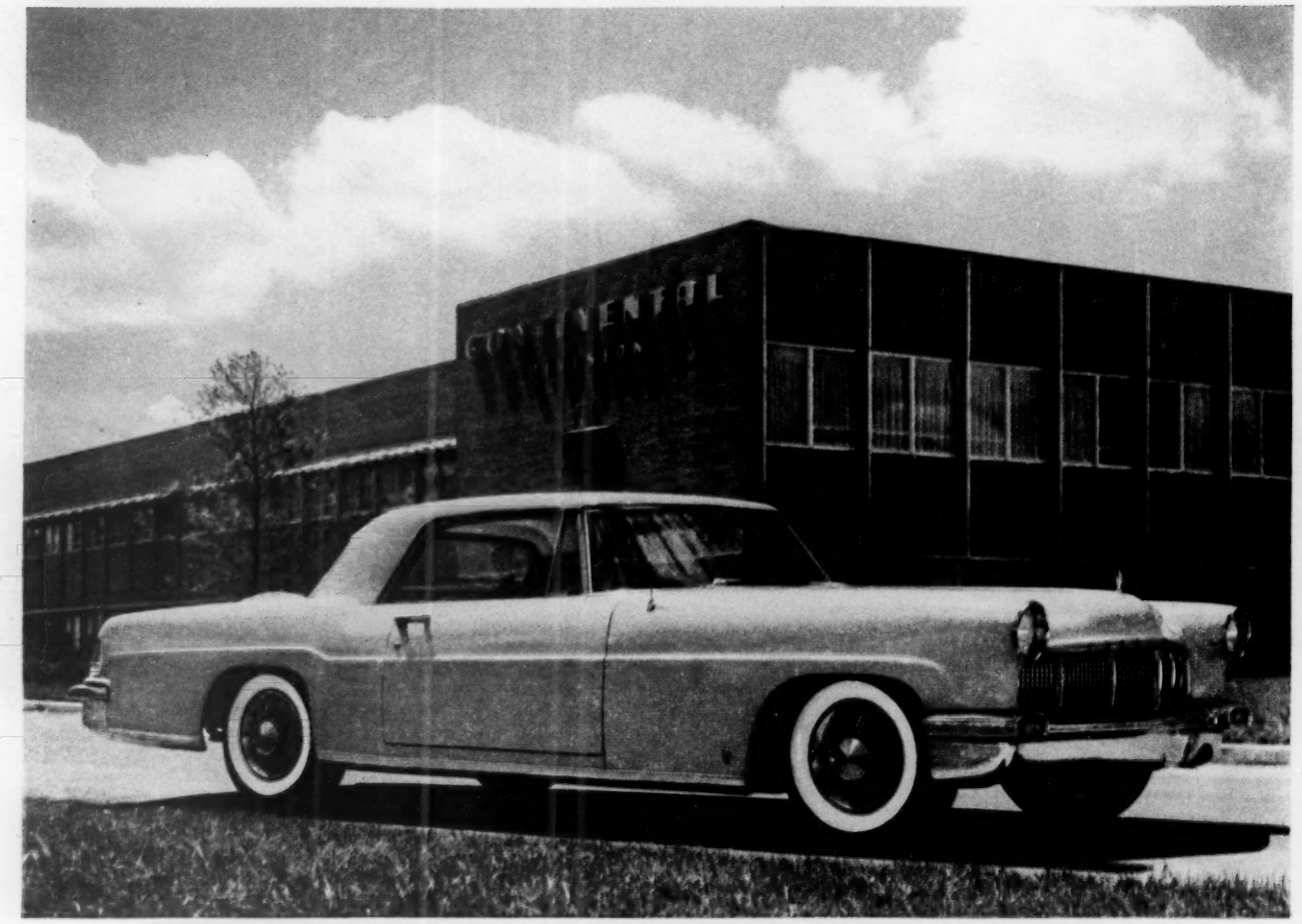
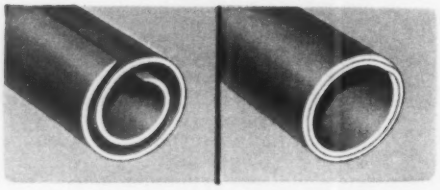
Suddenly it happens! Suddenly a new car flashes into the scene to capture America's heart! *This is it!* This is Oldsmobile for '56 . . . a daring, dazzling Oldsmobile—*brilliantly new from every point of view! New* . . . with inspired Starfire Styling—fresh, radiant beauty that is Oldsmobile's alone! *New* . . . with revolutionary Jetaway Hydra-Matic for liquid-smooth, lightning action . . . a new concept in smoothness and performance! *New* . . . with Rocket T-350—a Rocket to top all Rockets in torque, compression, horsepower action! Come see America's future favorites . . . *the magnificent new Oldsmobiles for 1956!*

Inspired by the famous Lincoln Continental (1939-1948), the new, quietly luxurious Continental has been created to meet the demand of discriminating Americans for a truly distinguished car. Designed and manufactured by Continental Division, Ford Motor Company. Uses Bundyweld for gas, oil, gauge, brake, heater and air-conditioning lines, and control lines . . . 30 parts in all, totaling 87½ feet.



Distinguished new Continental relies on lifelines of Bundy Tubing



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POWERFUL CARS, like this sleek Continental, naturally require rugged, dependable component parts. That's why leading manufacturers use Bundyweld Steel Tubing "lifelines" for oil, fuel, brake, and hydraulic systems.

The accepted standard of the automotive and refrigeration industries, Bundyweld is used *in 95% of today's cars, in an average of 20 applications each!* (Exclusive design shown at left.)

Designers the world over know that Bundy offers ultra-dependable tubing plus specialized engineering assistance. New uses are found almost daily—in both fluid transmission and mechanical applications involving strength, flexibility, and low cost. Call, write, or wire, today!

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We've Been Asked:

WHO GETS THE FOOD DOLLAR

- Many farmers complain that they are not getting a fair share of the money spent for their products in the market place.
- This makes consumers wonder: How is the food dollar divided between producer and seller? And why don't farmers receive more?

Why hasn't the drop in the farmer's share of the food dollar shown up in the prices that the housewife pays for food?

Largely because of a sharp increase in marketing costs. A larger part of the food dollar now goes for processing, transporting, wholesaling and retailing of foods. That results in a smaller share for the farmer, without a corresponding fall in prices that the housewife must pay.

What part of the food dollar does the farmer now get?

Out of every dollar spent by consumers for food raised on American farms, the farmer receives, on the average, 40 cents. That's the estimate of the Department of Agriculture for the third quarter of this year. Estimate for the entire year 1955 is 41 cents. That means that about 60 cents out of every dollar is going to those who handle the food from the time it leaves the farm until it reaches the consumer. The outlook is that the amount that the farmer receives in 1956 also will be 40 cents out of a dollar.

Did the farmer receive more in the past?

Yes. In 1954 the farmer's share of the food dollar was 43 cents, and in 1953 it was 45 cents. That compares with 52 cents in 1946—a high for postwar years. The average amount for the prewar period 1935-39, however, was 40 cents.

Why has the marketing cost risen so much?

There are a number of reasons. One important reason is the higher cost of labor for those processing, handling and selling food products. That includes both wages and fringe benefits. Also, transportation costs are up generally, as are taxes, rents, electricity and other things that are reflected in food prices.

Another important factor in the increased cost of marketing food is the extra service that many buyers are beginning to expect. This includes such things as special packaging and wrapping, freezing of fruits, vegetables and meats, preparation of poultry and other food so they are ready to cook, and other kitchen aids.

Does the farmer receive a larger percentage of the price paid for some products than he does for others?

Yes. There is considerable variation in what a farmer gets for individual products. His average share on all fruits and vegetables is 28 cents out of a dollar, but for poultry and eggs it is 65 cents. Other amounts are 53 cents for meat products, 45 cents for dairy products and 30 cents for fats and oils.

How much, for example, does a farmer get out of what a housewife pays for a loaf of bread?

Suppose a loaf of white bread costs 18 cents and has 20 slices. Here is how the Department of Agriculture figures it: The wheatgrower receives the equivalent of about 3 slices—or 2.7 cents—and the retailer gets the same amount. Eleven slices, or 9.9 cents, go to the baker. The baker's share covers labor, delivery and some other expenses. The remaining 3 slices, also worth 2.7 cents, are divided between the miller, the cost of ingredients other than wheat, and miscellaneous expenses.

Does the profit of the "middleman" add much to the increased cost of marketing foods?

That is not indicated to any great extent by official figures. Government figures show that net profits, after taxes, of firms manufacturing food products were larger in the first half of 1955 than in the same period of last year. But figures of the Department of Agriculture indicate that profits of leading companies engaged in food processing and distributing have not been as high in recent years as in the earlier postwar period.

Has there been a general sag in farm income?

Yes. There was an average drop of 7 per cent in prices received by farmers for food products in the third quarter of 1955 compared with the same period last year. Because of the higher marketing charges, less than half of this was passed on to consumers, being reflected in an average drop of 1 per cent in retail prices of farm food products.

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Interview with SOVIET NEWSMEN VISITING U. S.
Boris Kampov-Polevoy and Valentin Berezhkov

For the First Time—

A QUIZ OF RUSSIA'S OPINION MAKERS

Do Soviet newspapermen regard their press as free? How do they explain controls that Americans would consider to be censorship?

Just how does the press really operate in the Soviet Union?

Questions such as these were asked by members of the Board of Editors of *U.S. News & World Report* in an interview with two Soviet newsmen, members of a group now touring the U.S.

Interviewed were Boris Kampov-Polevoy, an official of the Union of Soviet Writers, who heads the visiting Soviet delegation, and Valentin Berezhkov, deputy chief editor of the Soviet magazine, *New Times*.

The interview was conducted in Russian by Alexander Kucherov, a member of the staff of *U.S. News & World Report* who speaks Russian fluently. Born of parents who left Russia in their youth, many years before his birth, Mr. Kucherov was educated in the U. S., received a Ph. D. degree at Columbia University. He recently served in the U. S. Army.

The interview was recorded on tape in Russian, translated into English, and the English translation then was approved by Mr. Berezhkov, who speaks English.

***U.S. News & World Report* presents here the complete interview, exactly as it was approved by Mr. Berezhkov.**

Q: Mr. Polevoy, is there freedom of the press in the Soviet Union?

Mr. Polevoy: Unquestionably. The tone of the question indicates that you doubt this. I must tell you that I, who have worked in our press for 25 years, do not know of any limitation on the freedom of our press. The only thing which we are not allowed to write is war propaganda in any form. A writer who writes such propaganda is punishable under the law. We have a criminal law to that effect. I must say, however, that we have had no cases calling for application of that law.

Q: Does the press have the right to criticize individual people in the party and Government?

Mr. Polevoy: Not only does the press have the right to do this, but it is obliged to do it, because one of the founders of our state said that we need criticism and self-criticism as much as we need air and water. I am referring to Stalin. This has been for a long time one of the basic principles of our state.

Our press often publishes letters by one or several workers, engineers or teachers which criticize individual ministers, and there were instances when, as a result of such "criticism from below" which appeared in our press, important ministry officials and even Ministers were removed from their positions.

Q: Are there individuals so highly placed that the press cannot criticize them?

Mr. Polevoy: There are no such individuals.

Q: While Stalin was alive, could the press criticize him? Do you know of any such instance?

Mr. Polevoy: Yes, I know of some general instances. We have an extremely popular work, one of the best works of Soviet literature, Sholokhov's "Virgin Soil Upturned." This book was written at the time when we were organizing collective farms. As you in this country probably know—since you learn about all our shortcomings before you learn about our merits—we made very serious mistakes in the process of organizing these collective farms. Sholokhov's entire novel—the entire emphasis of this novel which, I repeat, is still our favorite novel today—is devoted to exposing these shortcomings.

So far as the late Stalin personally is concerned, there simply do not seem to have been any occasions for criticism. In this connection I could tell you an old soldier story of World War II:

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Latest Red Line: Communists Claim Free Press, Classless Society, No Poverty, Personalities of Top Men Unimportant

Soviet newsmen are trained propagandists. They are skilled at parrying critical questions about Communism.

Yet, some of the answers given by the visiting Russians may sound strange to Americans. When asked if the press was free to criticize Stalin, for example, they said, "There simply do not seem to have been any occasions for criticism."

And when asked why Soviet papers never mention concentration camps, they insist that such camps "do not exist" in Russia.

Some Americans, also, may find it hard to reconcile the Russians' statements with an incident revealed recently by Joseph Swiatlo, a former Polish police official who defected to the West and now lives in the United States.

In 1949, Mr. Swiatlo was an observer at the trial in Budapest of Laszo Rajk, former Hungarian Foreign Minister. And Mr. Polevoy reported this trial for the official Communist Party newspaper, *Pravda*.

Mr. Swiatlo says he discovered that Mr. Polevoy did not have to wait to see what happened each day in the trial. As a party member, he knew what the testimony would be—so he wrote his stories in advance.

Other differences between the American and the Soviet press are to be found in the interview that follows.

Two soldiers met in Berlin, an Englishman and a Russian. The Englishman tells the Russian: "In your country there is a dictatorship; you cannot criticize anybody; you are gagged; you are subject to coercion."

Such assertions are familiar to you in the United States, because they still continue to appear in your press. They used to irritate us; now they are more apt to make us smile. But to get back to the story. Our soldier friend replies:

"That is nonsense. We are a free people and we may criticize anyone we please."

To which the English soldier says: "If I want to, I can come out on Trafalgar Square right now and say 'Churchill is an old fool.'"

Our soldier replies: "Very good. I can come out on Red Square and say the same thing."

"And could you say the same thing about Stalin?" asks the English soldier.

To which our soldier replies: "He simply does not deserve to be called by such a name, which is why I don't do it. We all respect him, so naturally I do not call him that."

Q: Does Khrushchev at the present time enjoy immunity from criticism by the press?

Mr. Polevoy: No one in our country enjoys immunity from criticism by the press.

Q: Suppose a law has been published. May individuals protest against that law in the press after it has already been published?

Mr. Polevoy: In our country, as in all others, not all laws are satisfactory in the form in which they are first published. We could give you a number of examples of laws which were repealed or altered as a result of criticism in the press and by society.

Mr. Berezhkov: I might add that our most important laws, laws which have altered the whole course of our life—our Constitution, for example—were not passed at a single sitting. They were submitted for preliminary discussion by the whole people and were discussed in detail in our press for several months. The relevant suggestions and corrections were taken into account before the law was adopted.

Q: Molotov was recently criticized in the magazine *Kommunist*. Was this the opinion of the editors themselves, or was it the opinion of the party's Central Committee, which the editors merely transmitted?

(Continued on next page)

. . . "No editor has any basic objections against foreign policy"

Mr. Polevoy: When you in the West talk about the Soviet Union, you like to put everything in terms of personalities. To my way of thinking, this article in *Kommunist* is one more proof of the fact that even such important people as Molotov, who have enjoyed positions of leadership in our state for many years, are not immune from criticism.

I think that in this case it was a matter of the editors of the magazine *Kommunist*—a magazine which deals with problems of party theory—expressing their own opinion on a very important question. I do not think that there was any one in back of the editors, as you imply in your question. This is not the first time such a thing has occurred in our country.

Q: Does the material which appears in *Pravda* [the Communist Party's daily newspaper] have to be approved by the party's Central Committee, or does the editor have the last word?

Mr. Polevoy: This is the usual, traditional question which we hear every time we are in the West. Dear colleague, we are very bold and, in this respect, very broadminded people. In such matters, we show no less initiative than the Americans.

It is true that *Pravda* does not publish thoughtless articles which could later be refuted, but this is only natural. Our press is quite limited in size; *Pravda* has only four pages. We have no newspapers as bulky as yours; we don't have the paper or desire for that. It is essential, therefore, to think through every line to make sure that it is exactly to the point.

For this reason, the staff of *Pravda*, the editors in particular, collectively review each large and important article. But this board of editors, which consists of 10 persons, is completely unrelated to leading party and Government bodies.

CENSORED IN ADVANCE? "NO"—

Q: There is no rule, then, which requires some more important party member—say, a member of the Central Committee—to approve the material for publication before it appears?

Mr. Polevoy: When good material appears, newspapermen are sometimes praised for it by members of the Central Committee, but there is no need for any preliminary check. On our staff in *Pravda* we have very serious people, very serious newspapermen. They are educated people, Marxists, who know all questions of philosophy, history and so on. We have no need for a nurse to lead us by the hand. We can walk by ourselves. After all *Pravda* has been appearing for over 50 years now.

Q: What about the local press? Does the material which appears in it have to be approved by local party bodies?

Mr. Polevoy: In our country, some 8,000 papers are published. Can you imagine what the party or Government bodies would be up against if, in addition to their many important and serious tasks, they also had to read everything in the local press? I must tell you that our local press is not always of high quality. There is no great pleasure in reading it. To read the whole 8,000—

Mr. Berezhkov: To read the whole 8,000 papers before they appear would be a staggering task.

Q: Does *Pravda*, as the chief party organ, exercise control over the other newspapers? Does it tell them what line to take, what to emphasize, and so forth?

Mr. Polevoy: I do not understand how such an idea could arise. Take, for example, your own *New York Times*, which in scope and influence can be compared to our *Pravda*, and picture the staff of the *Times* editing, or giving directions to, local newspapers—

Mr. Berezhkov: Such as the *Cleveland News*, for example.

Mr. Polevoy: I think that if the members of the *Pravda* staff were given such a task, they would take to their heels. Newspapermen never fulfilled such functions; they are in no way a part of newspaper work.

Mr. Berezhkov: I might add that *Pravda* and other important Soviet newspapers carry reviews of the local press. In these reviews they may, of course, take note of the shortcomings and the merits of material published in the local press. In this manner they assist the local newspapers in their work.

Mr. Polevoy: But this does not mean that the policy of the local papers is being directed in any way, since reviews of the press deal with material which has already appeared, not with material still to be published.

FOREIGN-POLICY AGREEMENT—

Q: May the press criticize important foreign-policy decisions of the Government? Do you recall any instances when this happened?

Mr. Polevoy: Somehow I don't recall any such instance. Perhaps Mr. Berezhkov, who deals with foreign policy, will recall something along this line.

Mr. Berezhkov: Most of the differences of opinion expressed in our press have to do with matters of domestic policy. So far as foreign policy is concerned, there is not, so far as I am able to judge, any disagreement among our newspapers on major questions of foreign policy. Since no editor has any basic objections against the Government's foreign policy, he naturally has no reason to formulate any objections.

Q: But if he does want to make objections, is he restricted in his right to do so?

Mr. Berezhkov: If he deems that a particular Government measure or decision on foreign policy is incorrect, he has, of course, the right to criticize it.

Q: In our country, every newspaper has an individual viewpoint. Soviet newspapers, on the other hand, express the same opinion on important questions at the same time and in practically the same language. What accounts for this difference?

Mr. Polevoy: We are living under different social systems. The very nature of our state is such—in my opinion, at least—that the Government reflects the will of the people.

This is actually the case. For example, during debates in the Supreme Soviet on foreign policy—I myself know of two such debates which were conducted recently—deputies of different nationalities and from different parts of the country as a rule express agreement with the Government's foreign policy. This is natural, because in this case the Government is reflecting the will of the people with regard to various international problems.

For us, there is nothing surprising in this, and it would be very strange and, in my opinion, very unfortunate if in this respect our newspapers acted like the swan, the crayfish and the pike in a famous fable by Krylov [a Russian author of fables]. In the fable, these three animals undertook to help one another pull a wagon to a certain destination, but the swan pulled up into the air, the crayfish started to pull backward and the pike pulled toward the water, so that the wagon stayed in the same spot.

Our press does not want, in this case, to be like the char-

Valentin Berezhkov is deputy chief editor of the Soviet magazine *New Times*, which is printed in 10 languages, including English. He also speaks English.

Mr. Berezhkov was graduated from the Polytechnical Institute in Kiev as a machine-building engineer For a time during World War II, he worked in the Soviet Foreign Ministry. He was in the United States in 1944 in connection with the Dumbarton Oaks Conference, which laid the groundwork for the United Nations.

In 1945, Mr. Berezhkov took up journalism, specializing in British affairs. Like Mr. Polevoy, he is a member of the Communist Party. He is 39 years old.

Boris Kampov-Polevoy is head of the delegation of seven Soviet newsmen touring the U. S.

Before turning to journalism, Mr. Polevoy was a textile engineer. As an officer in World War II, he took part in the defense of Stalingrad. Since the war, he has been a special correspondent for the official Communist Party newspaper, *Pravda*, and also has written four novels and many short stories. He is a secretary of the governing board of the Union of Soviet Writers, and has won two Stalin Prizes for his literary work.

Mr. Polevoy is a member of the Supreme Soviet, the Soviet Union's parliament. His age is 47.

acters in this fable. All of us try to pull our wagon in the same direction, so it will go faster. We don't have time to engage in idle discussions.

Mr. Berezhkov: Since the American press has been mentioned in this connection, I would like to add the following: I follow your press carefully and actually read practically all the more important newspapers and magazines which appear in your country. And I must say that on major foreign-policy questions your newspapers also express essentially the same viewpoint. I mentioned this to a number of Americans here, and they agreed with me that this is so.

Q: Would you say, then, that this unanimity of the Soviet press is attained spontaneously, without the aid of artificial means?

Mr. Polevoy: I cannot picture any artificial means that could be used in this connection.

Mr. Berezhkov: The unanimity which exists on the most important questions is the product of the convictions of the editors and editorial boards of the various publications.

Q: Is the Soviet press subject to any kind of censorship?

Mr. Polevoy: During the war we had censorship, and it was pretty strict, too. As you may know, I was a war correspondent, and at that time the censors did go over our articles pretty thoroughly, because a war correspondent may unintentionally reveal a military secret and thus aid the enemy. After the war, however, all forms of censorship were abolished, and at the present time our only form of censorship is the good sense of every editor.

Q: The editor, then, is not compelled by law to submit the material to anyone to get it approved for publication?

Mr. Polevoy: Nobody approves material for publication. This would be physically impossible. It would mean that our newspapers would appear with a delay of five or six days.

Mr. Berezhkov: By way of example, let me say that in our newspapers, and even sometimes in our weekly magazines, the last articles go to the printing press about an hour after the editors are through with them. In that interval of time, all you can do is make a final draft, check it for errors in typing and punctuation, set the type and make up the page.

Mr. Polevoy: We do, however, have one severe form of censorship, which we would recommend you introduce in the United States. In every editorial office we have a so-called fact-checking bureau which checks all facts in the most thorough fashion. Is the name spelled right? Is the title correctly used? Is the geographical spot correctly designated?

I mention this because in one of the well-known New York papers my name was rendered in three different ways in the course of a 40-line article. One time it was "Kampov-Polevoy," which is correct. A second time it was "Kadpov" and a third time is was "Kapnov."

Q: Is the editor of each publication in Russia free to express his personal opinion or must he express the official opinion?

Mr. Polevoy: This question, too, always makes us smile, if you'll forgive me, because we often have to answer it when we are abroad. Here again we are dealing with one of those strange legends concerning the Soviet Union which have become established in the West. An old, timeworn legend, an old, timeworn myth.

As is the case, I think, in all other countries of the world and wherever newspapers are not subject to pressure and are not in the hands of some financial or political group, our newspapers have the possibility of expressing their opinion with complete freedom on any particular question.

The only guide, in this case, is the common sense of the staff of the newspaper and the intelligence of its editor. The editor prints articles of the sharpest kind—always at his risk and peril, because, if he lies, if he slanders somebody, he will in all likelihood have to answer to his readers.

We have a law which guards people against slander. For slander the editor will even go to court. But, if what he says is true, he can always publish it, no matter how sharp it is and no matter how highly placed is the person whom he is attacking.

Q: How can a newspaper like *Izvestia*, which is actually a Government publication, be sufficiently independent of the Government to be able to criticize it?

Mr. Berezhkov: In this connection I could cite examples which were already given by Mr. Poltoratsky, a member of our group and a correspondent of *Izvestia*. During the last months, *Izvestia* published a whole series of readers' letters which pointed to a number of serious shortcomings in our Government bodies, in different ministries, etc.

In particular, it was pointed out that a number of Government bodies were overstaffed, which led to bureaucratic delays, to the fact that people's petitions did not always receive prompt

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. . . "We rely exclusively on our own judgment"

consideration. In this connection, suggestions were made concerning the necessity for reducing the personnel of a number of Government bodies. *Izvestia* not only printed these letters, but took a number of concrete steps. It called the attention of leading Government bodies to these justified reports and suggestions by readers. As a result, serious measures were taken which made it possible to improve the work of Government bodies.

The second example which I could cite is the question of the agricultural tax. As in all other countries, our taxes are determined by law. *Izvestia* published a number of letters which pointed to shortcomings in the system of taxation and in the corresponding laws. After the publication of these letters, the leading Government bodies gave attention to this matter and, as you know, an agricultural-tax law was recently adopted which helped to increase considerably the initiative of our peasants and to improve their material condition.

These concrete examples show how the newspaper, *Izvestia*, like our other newspapers, practices and stimulates criticism of our various Government bodies for the purpose of improving our work as a whole.

All our criticism, whether from readers or from the newspapers themselves, has the purpose of improving the work which we are all doing in common. It always includes constructive, positive suggestions of some kind which make it possible to correct the situation in some particular sphere, in some particular Government body.

CONTROL OF LITERATURE—

Q: Does GLAVLIT, the chief administration for literary affairs, have any censorship functions?

Mr. Polevoy: GLAVLIT does not have censorship functions. It sees to it that a writer does not publish the same article in two different places. In addition, it sees to it that the press keeps out of certain spheres. This does not mean censorship of each individual issue, but if, for example, Mr. Berezhkov were to print something superfluous about some atomic matters, he would, of course, be told that it would be better not to deal with such matters in the future.

Q: Would he be told this only after the issue had already appeared?

Mr. Polevoy: Yes, afterwards.

Mr. Berezhkov: It could also happen that some scientist working, say, in the field of atomic energy wants to publish some work of his. Our country and yours have recently exchanged important secrets in this field—at the Geneva Conference particularly—but, nevertheless, both our countries still have things in this field which are not ready for publication.

Under such circumstances, it is natural that this scientist should have the possibility of consulting GLAVLIT as to what material he may publish and what material he should not.

Q: Mr. Polevoy, what exactly are the spheres which the press is supposed to keep out of, and which you spoke about a while ago?

Mr. Polevoy: They are scientific spheres. I really don't know, because those are not my spheres; I am a publicist who writes sketches, and my materials require no such advice from GLAVLIT.

Mr. Berezhkov: Perhaps I could cite an example which would clarify this for your readers, although I, too, do not work in such spheres. Your Cabinet members, your Secretary of the Air Force, for instance, sometimes make announcements in which the press is encouraged to write, or discouraged from writing, about certain matters.

Recently I heard an announcement over your radio about some guided missiles. The announcement named the place where this was tested, but then the announcer said that further details were being withheld in accordance with instructions from the Secretary of the Air Force.

The same could also occur, in some individual sphere, in our country. In this respect, I think, a similar situation exists in both countries.

Q: But surely GLAVLIT issues the appropriative directives in such cases before, rather than after, publication?

Mr. Berezhkov: Possibly so, but I suppose that such directives are issued only to institutions and organizations which work in these special spheres. So far as we are concerned, we work in publications which deal with domestic and foreign-policy problems, and we do not receive instructions and directives of this nature. We rely exclusively on our own judgment in deciding what to write, and how.

Q: Are dispatches sent from the Soviet Union by foreign correspondents subject to censorship?

Mr. Polevoy: I could, of course, simply tell you that they are not subject to censorship, but I don't want to deceive you. It is true that they used to be subject to censorship. The rule concerning censorship of dispatches by foreign correspondents remained in force after the war. At the present time, however, censorship of dispatches by foreign correspondents in the U.S.S.R. is no longer in existence, as your own correspondents can tell you. Such censorship was done away with about six months ago. [See footnote.]

Q: Who writes the unsigned editorials in *Pravda*?

Mr. Polevoy: Different people. Specialists in the given field, usually the heads of the different departments. I myself sometimes write editorials on literary matters.

Q: Is there any high-placed individual who gives direction or advice to the editors as to what subject the editorial is to deal with?

Mr. Polevoy: No, there is not.

Q: Does any such individual check on the editorial after it is written?

Mr. Polevoy: No.

CRITICIZING OTHER PAPERS—

Q: Does *Pravda* have the right to criticize other newspapers, including the newspaper *Izvestia*?

Mr. Polevoy: Not only *Pravda*, but every other paper enjoys this right. And I must tell you that unfortunately this right is sometimes misused. There arise unnecessary and silly debates during which newspapers lash out at one another without serious reason.

Q: Do you know of any case where *Izvestia* or any other newspaper criticized *Pravda*?

Mr. Polevoy: There was such a case. I can't recall exactly, but it was about five years ago. It concerned a law which *Pravda* had quoted incorrectly.

Q: This was apparently a simple mistake on *Pravda's* part.

Editor's note: American press agencies report that dispatches of their foreign correspondents in Russia still are subjected to Soviet censorship. Some correspondents have reported that the censorship has become less severe in recent months, but that it is still in effect.

What about criticism of *Pravda* from the ideological standpoint?

Mr. Polevoy: Somehow I don't recall such instances, but the right to engage in such criticism exists.

Mr. Berezhkov: I, too, want to say that such a right exists and that every paper may express its viewpoint. I also want to note that articles by individual authors which appear in *Pravda* sometimes get criticized by other authors or other publications. This is quite a common occurrence.

Q: What is *Pravda's* circulation?

Mr. Berezhkov: Many millions of copies.

Q: What is the size of *Pravda's* staff?

Mr. Polevoy: *Pravda's* staff of writers and administrative staff include some 300 people.

Q: Who is the editor at the present time?

Mr. Polevoy: The editor is Dmitri Trofimovich Shepilov.

"MODERATE TONE" ON CRIME—

Q: Do Soviet newspapers cover crime, accidents, divorces and other such matters?

Mr. Polevoy: They cover these things, but without reveling in them. We do not make a big to-do about such things. Crimes and trials are reported, but in a moderate tone and not in a manner which inflames passions and thereby leads, in my opinion at least, to an increase rather than a decrease in crime.

Q: What about marriages and divorces?

Mr. Berezhkov: Divorces, in our country as in yours, are handled by the courts, and the parties are required to give notice of their intention to start divorce proceedings. Such notices always appear in the papers.

Q: When a marriage takes place, does that get into the papers at all?

Mr. Berezhkov: That is usually covered by the newspaper of the institution in which these people are working. Every institution has its own paper.

Q: Do readers write letters to the editor?

Mr. Polevoy: *Pravda* receives more than 300 letters a day.

Q: Are they all published, or is a selection made, and if so, on what basis?

Mr. Polevoy: Even in your huge newspapers it wouldn't be possible to print one third of all the letters which *Pravda* receives, but every letter is carefully examined by special personnel in the letters departments. If they see in a letter an indication that some outrage has been committed, some law violated, some injustice done to an individual, the letters department makes contact with the appropriate local-government organizations and very energetically presses for correction of the situation.

I also want to call your attention to the fact that not one of the 300 letters received daily is discarded. It stays in the files until notice has been received that proper measures have been taken to correct the situation described in the letter. There were cases when members of the *Pravda* staff were dismissed for losing such letters.

Mr. Berezhkov: I would like to add a few words on the handling of this matter by *New Times*, which appears in Russian and nine other languages, including English. We receive very many letters, both from within the Soviet Union and from abroad. Many of the letters come from the United States. We regularly publish these letters. Sometimes our American readers ask us to answer specific questions on some aspect of Soviet life or other matters. In such cases we publish the letter and the answer. In this way we have

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PRAVDA GOES TO PRESS

A *PRAVDA* STAFF MEETING

THE PRESSES ROLL

—Sovfoto

PRAVDA READERS AT NEWSSTAND

"We show no less initiative than Americans"

. . . "Our press represents the opinions of different groups"

established correspondence with a number of our readers in the United States.

Q: What would you say is the main function of the Soviet newspaperman, to give information to his readers or to spread the party line among the population?

Mr. Polevoy: The main task of our newspapers, as of newspapers everywhere, is to tell our readers what goes on in the world—to give them information, as you put it. As for the political orientation, it is conveyed—as it is in your newspapers also, I believe—through editorials.

Q: How is the editor of a Soviet newspaper elected or appointed?

Mr. Polevoy: To answer this, I must dwell somewhat on the organization of our press. I know that in the United States and elsewhere in the West, in the so-called free world, there is the widespread opinion that editors in the Soviet Union are appointed and removed by command.

In this connection I want to dwell on something which I wouldn't dwell on if I were speaking in the Soviet Union, because over there every child knows this. Our press is not at all one-sided. Our press represents the opinions of different groups of the population.

We have a large trade-union press, whose editors are appointed by trade-union bodies. We have a press for young people, which is represented here by Mr. Adzhubei, who is at present an editor of *Komsomolskaya Pravda* [Young Communist League newspaper]. Editors of these newspapers are appointed by young people's organizations.

Editors for literary newspapers and magazines are furnished by the organizations of which these publications are the organs.

Only in the *Pioneer Pravda* are the editors not selected by the readership, but chosen from above. This is because the readers of that paper are from 8 to 12 years old.

HOW EDITORS ARE PICKED—

Q: How are the editors of *Pravda* and *Izvestia* selected?

Mr. Polevoy: *Pravda* is the organ of the Communist Party Central Committee; its editor is appointed by the Central Committee. For *Izvestia*, which is an organ of the Supreme Soviet, the Soviet parliament, the editor is appointed by special decree of the Supreme Soviet.

Q: Is there a guild of newspapermen in the Soviet Union?

Mr. Polevoy: All Soviet newspapermen are members of the Trade-Union of Cultural Workers, with the exception of those newspapermen who, like myself, also work in the field of literature and belong to the Union of Soviet Writers.

Mr. Berezhkov: In addition, we have journalists' clubs in our big cities. In Moscow, for instance, we have a large journalists' club which includes many journalists of different specialties and which recently celebrated its 35th anniversary—

Mr. Polevoy:—and into which was recently admitted an American journalist who had expressed the desire to become a member of that club.

Q: How is the pay of the individual newspaperman determined?

Mr. Polevoy: By the editorial board of the newspaper, as in this country, I think.

Mr. Berezhkov: In addition to this, a newspaperman receives payments for published articles.

Mr. Polevoy: As for the level of wages in each individual publication, it is regulated, as everywhere else in the Soviet Union, by collective contract between the trade-union and the management.

Q: What is the average monthly or annual earning of a Soviet newspaperman?

Mr. Polevoy: I can tell you about my own earnings. I earn quite a bit, because in addition to my work on the staff of *Pravda* I also publish books. In *Pravda* I receive 3,000 rubles [$750 at the official exchange rate of 4 rubles to the dollar] a month. In addition, I receive payment for every sketch, article or other piece that I write.

Mr. Berezhkov: On our magazine, a writer earns about 2,000 rubles [$500] basic pay. With the addition of payments for published pieces, his monthly earnings come to 3,000 or 4,000 rubles [$750 to $1,000].

Mr. Polevoy: In *Pravda* they come to 5,000 or 6,000 rubles [$1,250 to $1,500].

NOT ALL ARE PARTY MEMBERS—

Q: Is it necessary to be a party member in order to be a newspaperman or an editor?

Mr. Polevoy: Another one of those questions which, if you'll forgive me, we cannot answer without laughing. The people in our group are journalists especially well known in our country, and in this group of ours there is a man who is not a party member. I am speaking of Mr. Adzhubei, editor of *Komsomolskaya Pravda*.

Party membership plays no role in the selection of journalists or even of leading figures on newspaper staffs. We have a number of large and influential newspapers and periodicals whose editors are not members of the party. Party membership is not a requirement for appointment to any leadership position.

We were told that our writer, Valentin Katayev, is considered by one of your correspondents to have been shot by the GPU [secret police]. Well, this "executed" writer is at the present time the head of our largest young people's magazine, entitled *Youth*. And he is not a party member. This is true of a number of other magazines.

We have a children's journal called *Pioneer*—a name which must be familiar to you Americans, since our children's organization is called "Pioneers" like those Americans who once conquered the expanse of the United States. Ilina, the editor of this magazine, is also not a member of the party. I could cite you quite a few such examples.

Q: What training does a young man undergo who decides to become a newspaperman?

Mr. Polevoy: I'll gladly tell you about this, especially since we had occasion to visit the Columbia University School of Journalism, where we liked many things very much. The older generation of journalists, to which I myself belong, entered the field directly from other occupations. I am a textile engineer by profession. Victor Poltoratsky of *Izvestia*, a member of our group, is a locomotive engineer. Anatolii Sofronov, editor of the magazine *Ogonyok* and also a member of our group, is a locksmith from Rostov.

All of us were once "working-people's correspondents"—we wrote letters and notices to newspapers. Then, as we established contact with editors and showed aptitude and inclination for journalism, we got permanent jobs on newspapers.

This process still continues today. Many doctors, engineers,

workers and even peasants go into journalism. But now there are also faculties of journalism at our universities. I myself am part-time lecturer on the journalism faculty of Moscow University.

I would like to mention here that all the seven members of our group who visited the Columbia School of Journalism are agreed—we do not always agree on the evaluation of individual aspects of American life, but on this we are unanimous—that the professional training of journalists there is very well organized.

The fact that those admitted to the School of Journalism are individuals who have already graduated from different colleges and shown an inclination for journalism, and that they receive training in practical professional affairs during a whole year—that is very good.

When I get back to Moscow I will relate your remarkable experiences to the faculty of journalism of Moscow University. I think that we will undoubtedly utilize with thanks some aspects of your experience in the professional training of journalists.

Q: Do future journalists undergo any special kind of party training in connection with their prospective career?

Mr. Polevoy: No, they do not.

Q: Do newspapermen receive special party directives in connection with their work?

Mr. Polevoy: If a newspaperman works in *Pravda's* "party life" department which tells about party objectives, he naturally maintains close connection with party bodies, from territory and province party committees to the Central Committee. If, on the other hand, he works in the fields of industry or agriculture, there is no need for this whatsoever.

Q: Does the Central Committee ever send out general directives to editors as to what to emphasize, what questions to deal with most of all, and so on?

Mr. Polevoy: I think that here again I am up against one of those amusing legends about us which unfortunately exist in the West. This is a very curious thing. One time in Paris I even had to answer, in all seriousness, a question as to whether the Central Committee or some other party organ adopts novel-writing plans for authors. The audience was a serious one, and I barely kept myself from bursting out laughing.

No, of course not. This would be physically impossible. I think that you yourself, as a journalist, understand that it would be strange to expect such directives from anyone.

WHAT MAKES A WRITER?—

Mr. Berezhkov: Some people even maintain seriously that journalists or writers in the Soviet Union are bred according to the biological theory of Michurin. In reality, of course, it is merely a matter of training, of everyone's personal qualities and aptitudes, of his ability to understand the events which take place in the world around him and to transmit this understanding to his readers.

Q: Is there a party cell in every newspaper?

Mr. Polevoy: Some newspapers, the big ones, have cells; some do not.

Q: If a cell does exist, what is the relationship between its secretary and the editor? In case of disagreement, who has the last word?

Mr. Berezhkov: I think that here again there is a certain misunderstanding of the way we do things. The secretary of the party cell has nothing to do with the running of the publication or the selection of material to be published, unless, of course, he also happens to be a member of the editorial board. As the party cells' secretary, he deals with ideological problems, with personal problems of the cell members, organizes assistance to the cell members whenever such is required, and so forth.

Mr. Polevoy: He also organizes party schooling for the party members.

PLENTY OF CRITICISM—

Q: Suppose the secretary of the party cell or some member of it feels that the editor is taking an incorrect attitude from the ideological standpoint. What should he do? Can he appeal the matter?

Mr. Berezhkov: Here we come back again to the question of criticism and self-criticism. Criticism is widely developed in all enterprises of our country, and if any member of the staff of a publication, whether he is a member of the party or not, feels that the editor is doing something incorrect, he has every opportunity to criticize him, and a wise editor will show responsiveness to criticism.

Q: Are there American newspapers and magazines in the U.S.S.R.?

Mr. Berezhkov: Yes. Our magazine, for instance, receives all the most important American newspapers and magazines and follows them carefully. Any citizen has the opportunity, in the library of our magazine or in any library of the capital or of a large town, to become acquainted with any American newspaper or magazine. I can say without undue modesty that in this respect we are well organized. We have the possibility of regularly following the American press.

Over here we met many editors, some of them of large papers, and they had to confess that they do not read our press. They only read the information conveyed to them by your foreign correspondents in Moscow. But this is not a completely objective source of information. Every correspondent, being human, puts his personal slant on the news. The best source of information about a country is its own press.

Also, in the library of the Columbia School of Journalism I did not find a single Soviet newspaper or magazine. Do not interpret this as interference in your internal affairs, but it seems to me that this is the only shortcoming in the excellent system of training we saw at Columbia. Reading the Soviet press would contribute to a broader outlook of the journalism students.

Q: Mr. Berezhkov, does *New Times* employ people born outside the U.S.S.R.?

Mr. Berezhkov: In our English section we have a translator who lived in England for many years. I don't know if he was born there or not. Our other translators are people who once studied in England or the U. S.

For example, we have on our staff a girl who knows English very well; she studied at Columbia University after the war. In addition to that, a number of our staff members studied languages in the U.S.S.R. I, for example, know English and German from studying them in the Soviet Union.

Mr. Polevoy: I know many Muscovites who know English. They are subscribing to American newspapers. Among the people of my generation there are few people who know foreign languages; we had no possibility, when we were

(Continued on next page)

. . . "In our country, no base" for return to capitalism

schoolchildren, to study foreign languages; we had a rather hard childhood. But my children already know foreign languages. My son speaks English rather fluently, my daughter French. I think that when they grow up, we will receive those papers at home.

Mr. Berezhkov: We all read and follow the French and English press, the Western German press, the press of India, and we receive these papers regularly.

Q: Mr. Berezhkov, what do you think of the American press in general, or any American newspaper or magazine you are particularly familiar with?

Mr. Berezhkov: A great quality of the American press is that it gives the reader a great deal, and a great variety, of information. Many newspapers have correspondents in practically all the largest countries of the world. For example, we had a very interesting conversation with the editors of the *New York Times*, who told us about the system of work on their paper.

You know, of course, that we have different viewpoints when it comes to the treatment of individual subjects, but this is only natural, and our problem as journalists is to find ways of collaborating with each other without giving up our differences of opinion. The fact that we met with many editors and other newspapermen who share our views on the possibility of such collaboration is a heartening one and bears witness to the common sense of many American newspapermen and editors.

Q: Is it permissible in the Soviet Union to advocate a system other than the Socialist system—to advocate a return to capitalism, for example?

Mr. Berezhkov: This question has to do with the classes which exist in a particular country. As you probably know, there are no antagonistic classes in the Soviet Union, such as exist in capitalist countries, where there is a class of proletarians and a class of capitalists. It is natural for the workers to have their press, which advocates their point of view, while the capitalists have *their* press, which advocates *their* point of view.

In the Soviet Union we have no antagonistic classes. Our society is monolithic and has, of course, its own point of view, which it propagandizes. The very fact of the absence of an antagonistic class liquidates any basis for any other kind of movement, because such movements cannot arise out of thin air. They must have a supporting base. In our country, no such base exists.

A NOVELIST'S GOAL—

Q: Mr. Polevoy, in addition to being a journalist you are also a prominent novelist. What, in your opinion, is the primary goal of the Soviet novelist?

Mr. Polevoy: To depict the life of his people.

Q: Does the party tell the writers how they should write, how they should depict reality?

Mr. Polevoy: Here again we are up against one of the Western legends about the Soviet Union. When we travel in the West, which we do quite frequently, even people who are friendly to us and know about our life sometimes ask us, quite seriously: "Does the party give you a writing plan, or does it approve such a plan for you?"

Anyone who knows about the novelist's craft cannot believe in such legends. As it is physically impossible for a man to live with a woman who is not attractive to him, so an author cannot write about things which are not close to his heart. I think this holds true for all honest, for all authentic and great writers. I am not talking about mere craftsmen who can throw anything together on order. I am talking about authentic writers, whom we Soviet people greatly respect. I think, therefore, that no writer will believe in this ludicrous legend of party control.

So far as we Soviet writers are concerned, we always try faithfully to capture the life in our country, to capture all the new and typical aspects of the present day. And since our writers are close to the people—many of them, like our great writer Sholokhov, actually live among the people and directly take part in their life—they show a keen awareness of those same present-day realities which also occupy the party and the people.

"NO ONE ORDERS US AROUND"—

Q: Doesn't the party, through speeches of its leaders and editorials in the press, give general directives to all artists, including writers? Why does a political organization like the Communist Party meddle in literature, which appears to us to be a purely private matter between the novelist and his readers?

Mr. Polevoy: So far as editorials are concerned, we have already explained that the party has nothing to do with them. They are written by ordinary newspapermen without any kind of instructions from the party.

It is true that during party congresses our leaders sometimes speak about literature—Malenkov, for instance, spoke on it at the next to the last Party Congress. This, to me, is a matter of great rejoicing. I rejoice in the fact that our leaders, among all their other tasks, also concern themselves with literature. Why do you want to deprive any member of our party or leader of our state of the opportunity to speak out, among other things, on questions of literature and ideology?

No one orders us around. But when one of the Party Congresses took up the question of what the writer should regard as typical in the life around him, this concern of party was welcomed by the writers. Extensive discussions were launched on this subject.

The theory of "absence of conflict"—which you probably know about, since, as I have already said, you are rather quick to pick up those aspects of our life which you deem questionable—was widespread in our literature at that time and was responsible for the spoiling of many potentially good plays and scenarios. And it was the party which called the writers' attention to this matter. It was the party which told the writers: Stop painting everything in rosy colors, stop depicting paradise on earth; depict life the way it is, with all its conflict.

And we, the writers, were very grateful to the party for this directive, because, as a reaction to the hardships of the war, a number of writers had developed the inclination to depict life as they would like it to be, rather than as it actually is. It was the party which called our attention to this matter.

But the party did not say: "You, Boris Kampov-Polevoy, shall write such-and-such a novel with such-and-such a conflict." The matter was merely brought out in one of the speeches, and it was listened to by those who wanted to listen.

So far as the relationship between the party and literature is concerned, this matter was well dealt with at the last meet-

ing of the Union of Soviet Writers by our greatest novelist, whom we all greatly love—Mikhail Aleksandrovich Sholokhov. He said: "It is said about us that we write according to the party's command. That is not so. We write as our hearts dictate—and our hearts belong to the party."

Q: The creative method employed by Soviet writers is frequently described as "Socialist realism." What, exactly, does that mean?

Mr. Polevoy: I could give you a whole lecture on the subject. Ten reels of tape wouldn't be enough to record the theoretical discussions to which it has given rise. Much has been written on this subject in our country, and people who have no firsthand knowledge of our literature and literary criticism and rely for their information on secondary sources—sources which are often unfriendly to us—have come away with the impression that "Socialist realism" is a kind of Communist religion for writers, with commandments laid down and everything neatly pigeonholed.

That is nonsense. That is one of the most ridiculous, and also, I think, one of the most unfortunate misconceptions about us in the West. The basic idea of Socialist realism is contained in one sentence which was spoken by the man who was the founder of Socialist realism—Aleksei Maksimovich Gorky: "Socialist realism is the revelation of the truth of life in all of its contradictions and in its forward movements." That is all there is to it.

DETECTIVE YARN? NO DEMAND—

Q: Suppose a writer wanted to write a detective story or a ghost story of the kind which frequently occurs in Western literature. Could he do that, and what chances would he have of getting his book published?

Mr. Polevoy: One member of our group is Sofronov, the editor of the magazine *Ogonyok*. In the last two years he has published two or three "detective stories," as you call them. I am thinking of the novel "Major in the Militia" and some others. They were rather cleverly constructed, but our readers did not take to them. They are not interested in that kind of literature, and I think Sofronov will not find it financially profitable to publish such works. The readers do not respond to them.

In this respect, our outlook on literature differs radically from yours. Pornography, which is quite widespread in the Western world—unfortunately, I think—is without a market in the Soviet Union. People won't read it. More than that, educators will tear to pieces any writer who tries to corrupt our youth. My own wife is a teacher, and I can just picture what would happen to me at home if I were to write a detective story or a pornographic novel.

We are determined to safeguard morality, to safeguard our youth. We like to laugh. We like entertainment and fun. In this respect we have a lot in common with the American people. But we cannot accept detective stories, pornography and comics, because—forgive me for expressing my private opinion—the realities of our life have nurtured good taste in us.

Q: Is it possible for a Soviet writer to publish a novel rejecting Socialism and advocating some other economic or political system?

Mr. Polevoy: Yes, if a writer wrote such a novel, he could get it published. For example, there recently appeared a novel by the very well-known Latvian writer, Vilis Lacis, entitled "Toward a New Shore." This novel tells the story of a young man who, having rejected our way of life, leaves our country, and what happens to him after that. In the end, he realizes his mistake and returns home. This novel was published, and I think it is a good one. It shows the natural process of a man's re-education by the circumstances of his life.

Mr. Berezhkov: I want to make sure there is no misunderstanding on this point. This is a novel which portrays a number of characters, one of whom was opposed to our Soviet system. We are not saying that Lacis wrote a novel advocating the overthrow of our system.

Mr. Polevoy: No, of course not. After all, Vilis Lacis is the Premier of Latvia.

Q: Then I'm afraid you misunderstood my question. What I was asking was whether an author can write a novel in which he himself advocates the overthrow of the Soviet system and the substitution of another system.

Mr. Berezhkov: You have to examine this question in the light of facts. In theory, everything is possible; anybody can write anything.

"NO SUCH LAW, BUT—"

Q: Is there a law under which this would be punishable?

Mr. Polevoy: No such law exists, but I cannot picture any of our authors writing such a work.

Mr. Berezhkov: Speaking in practical terms, who would such a man be? Apparently he would have to represent a class or a group of people who are dissatisfied with something. After all, a man who understands how much our party has done for our people and for the development of our country, transforming it from a backward country into a huge industrial state, how much has been done to defeat Hitler after he had occupied practically all of Europe, and everything that was done in these last 10 years after all the destruction which our country suffered during the war—is it conceivable that a straight-thinking person will be found who will write that all this is not so, that all this is unnecessary and harmful? This would be just a plain lie.

For this to happen, a man would have to be found who will write deliberate lies concerning what is happening in our country. I think that a straight-thinking person of such a kind will simply not be found.

But in theory it is quite possible, of course, that a man will, for some reason, espouse such a viewpoint. But, in that case, he would either be expressing a purely subjective viewpoint as an isolated individual, or else he would have to represent the viewpoint of some particular class. But, as we have already said, antagonistic classes were done away with as early as the October Revolution in 1917, almost 40 years ago. Since then, a new generation has grown up which fully understands what our party and Government have given to our people. That is why a thing of this nature strikes me as just plain inconceivable.

Mr. Polevoy: In theory it is possible. There is no punishment for it under the law—the law permits it. But I cannot picture anyone among my colleagues who could do such a thing.

Q: Are books subject to any kind of censorship, preliminary or otherwise, in the Soviet Union?

Mr. Polevoy: No, they are not.

Q: Do you put out pocket-sized, cheap editions of books that are much in demand?

(Continued on next page)

. . . Burgess and Maclean in Russia? "I know nothing about this"

Mr. Polevoy: Yes, we do. The State Publishing House for Literature has put out a whole series of such books under the title "Selected Works by Soviet Authors."

The Ogonyok Library also puts out pocket-sized books in large numbers.

Mr. Berezhkov: Like your pocket books.

Q: May an individual or a group of individuals start a publishing house?

Mr. Polevoy: The Soviet Author Publishing House, one of the largest in our country, is a co-operative writers' publishing house.

Q: What about a single private individual?

Mr. Polevoy: In theory this is possible, but, again, there is no need for it in practice. We used to have private publishing houses, until the '30s, I believe. At the present time, however, there is no need for it. We have co-operative publishing houses, trade-union publishing houses, etc.

Mr. Berezhkov: Our viewpoint is that publishing houses and newspapers must reflect not the viewpoint of a single individual, who could conceivably utilize his position in a manner harmful to society, but the viewpoint of as large a number of people as possible. That is why we prefer to have our publishing houses and newspapers established and operated by representatives of large collectives and large social organizations rather than by private individuals.

Mr. Polevoy: We have publishing houses which put out religious literature: the publishing house of the Moscow Patriarchate, the publishing house of the Armenian Exarchate, and so on, but even those are not publishing houses of private individuals. This literature is published by the corresponding church organizations.

Q: Publishing houses belong either to the state or to collectives?

Mr. Polevoy: To collectives, to co-operatives or to trade-unions.

Q: What about the state?

Mr. Polevoy: Yes, there are state publishing houses also. The very large State Publishing House for Belles-Lettres, for example, publishes classical works of literature. There is also a State Publishing House for Foreign Literature which publishes foreign literature in Russian.

Q: Can a Soviet writer publish a book at his own expense if no publishing house agrees to do so?

Mr. Polevoy: Yes, he can do so, but I recall no instances of such a kind.

WHO RULES RUSSIA?—

Q: To turn to a different subject—who rules Russia at the present time?

Mr. Polevoy: I'm sorry, but I don't understand the question.

Q: Well, there is a lot of talk about collective leadership in the Soviet Union—Nikita S. Khrushchev, the Secretary of the Communist Party's Central Committee, Marshal Nikolai A. Bulganin, the Premier, and Vyacheslav M. Molotov, the Foreign Minister—

Mr. Polevoy: Collective leadership is the foundation of our state. Our state is ruled, as every state, by its government, over which there stands a parliament. As for questions of personalities, they are entirely without significance in our country. I know that in the West you try to guess, by gazing at coffee grounds, which one of several Soviet leaders is the most important. That, gentlemen, is nonsense, of course. This is one of those—how shall I put it?—one of those ludicrous legends about the Soviet Union which exist in the West. In the past all this was usually connected with the name of Stalin. But that man ran our country for more than a quarter of a century, so naturally he had enormous prestige.

I think that if some President ran the U. S. for 25 years and victoriously took the U. S. through equally enormous crises, he would also enjoy enormous prestige. Your correspondents in Moscow go to receptions where they meet informally with Khrushchev, Bulganin, Molotov and other leaders of our party and Government—I myself witnessed this—and have the opportunity to talk to these leaders and ask them any questions they want.

I think that the more intelligent among your correspondents have come to see that this whole business of personalities is one of those legends about the Soviet Union. Our country is ruled by our Soviet Government, which is elected by the people, and over the Government there stands our parliament, the Supreme Soviet.

KHRUSHCHEV? "NO COMMENT"—

Q: Would you say that, with respect to prestige, Khrushchev is No. 1 man in the Soviet Union today?

Mr. Polevoy: I refuse to discuss this matter of personalities, because I consider such an approach to be fundamentally incorrect. Let the fortunetellers guess, with the help of coffee grounds, who is on top and who is not. We have collective leadership by people whom we elect on the basis of the broadest parliamentarianism: If your correspondents are present at our elections, they know how this takes place. That is why I am somewhat baffled by this question. I do not want to join the ranks of the fortunetellers who guess things with the help of coffee grounds.

Q: Does Khrushchev presently occupy the same position, from the standpoint of prestige, that Stalin used to have?

Mr. Polevoy: Khrushchev is First Secretary of the Central Committee of the Communist Party. Stalin was our Prime Minister.

Q: But, in actual practice, does Khrushchev have the same position as Stalin used to have?

Mr. Berezhkov: As we have already told you, we have collective leadership. So far as Stalin's personal role was concerned, Mr. Polevoy has fully explained it. We could cite the example of President Roosevelt, who was re-elected three or four times and enjoyed great prestige in your country. It is natural that Stalin, who headed our state for so long and who did so much for our development and our successes, enjoyed enormous prestige. This is simply a matter of Stalin's personal qualities and of the enormous debt which the country owed to him personally.

As for the rest of it, we can only repeat what we said: That in the Soviet Union there is collective leadership; that the organs of our Government are elected by secret ballot by our entire people; that, as you know, the number of voters who take part in our elections is not 50 per cent, but more than 90 per cent; that out of these, more than 90 per cent usually vote for the candidates of the Communist and nonparty bloc; and that this, therefore, fully expresses and reflects the will of the broadest masses of the people.

Q: As you undoubtedly know, the former English diplomats, Guy Burgess and Donald Maclean, are said by many to

be in the Soviet Union and to be working for *New Times*. What do you know about them?

Mr. Berezhkov: I know nothing whatever about this business. A year ago, we suddenly received a telegram from Washington about this matter and were quite astounded, because we had never heard about this business.

Q: What did the telegram say?

Mr. Berezhkov: It said there was information to the effect that these two gentlemen are editors of *New Times*. We were all very astonished and started looking to see if any member of our staff wasn't hiding behind a pen name.

Q: Do Soviet writers and reporters speculate as to who is at the present time the most powerful figure in the Government? Is there any objection to that kind of speculation?

Mr. Polevoy: Here again I think we are talking different languages. We do not attribute such importance to the individual person. The events of our recent history have instilled in us the concept that our people are governed by a group of elected individuals who derive their power from the people's will. That is why discussions as to which one of them is higher and more inportant are absent, not only from the pages of our press but also from our private conversations.

That is because we know that we are ruled by the Soviet Government, that the Communist Party rules our country through the medium of the Soviet Government and exerts an influence on the lives of all of us. We have faith in our Government and party. The question as to who shows more initiative, or has the greater strength, on a particular occasion, does not, in my opinion, have any significance, because our leadership is a collective one.

Q: Do local papers have their own correspondents in Moscow?

Mr. Polevoy: The large local papers do. All the republic papers and the largest province papers have correspondents in Moscow.

"COVERING" THE KREMLIN—

Q: Do your reporters "cover" the Kremlin and large Government bureaus the way American reporters cover, say, the White House or the State Department?

Mr. Polevoy: Every one of our newspapers has departments which deal with particular spheres of life. There are departments dealing with the work of our Government bodies. The reporters attached to these departments keep close to these Government bodies.

The organization is somewhat different from yours. That is, there are no special press rooms at the Council of Ministers, at the Supreme Soviet or at what you call "the Kremlin" —the Kremlin, by the way, is now a historical museum.

But the reporters go to those leading Government bodies very often, maintain close connection with the personnel and receive information. In addition, we have many special correspondents. Those are highly qualified correspondents whom the editors send out to cover especially important assignments—a Congress of Soviets or some other big event.

Mr. Berezhkov: I want to add that we have a special magazine entitled *News of the Supreme Soviet of the U.S.S.R.* which regularly publishes the most important resolutions adopted by the Supreme Soviet and other important documents of the Supreme Soviet and the Government.

Q: Were correspondents present at the arrest of Lavrenti Beria, former head of the secret police? Were there eyewitness accounts published in the papers? If something comparable happened in our country, our reporters would go without food or sleep to cover the story and produce eyewitness accounts—

Mr. Polevoy: Our reporters do not go without food or sleep in such cases. We in our country do not like sensationalism of the kind which is offered to readers in the West. We handle such things in a simpler and, in my opinion, more businesslike manner.

On the day following the arrest of that traitor to our people, there appeared a very brief Tass communiqué telling our people what happened. I myself think that this is quite sufficient, because in our country there is no reason whatever to elaborate on such things. Our people are brought up differently. They are interested in the substance of events, not in the trimmings.

You probably know that we do not like detective stories and do not produce gangster movies. This is all part of the same thing.

LABOR CAMPS "DO NOT EXIST"—

Q: Why are there never any discussions in the Soviet press concerning conditions in labor camps and other places of confinement?

Mr. Polevoy: There is nothing to discuss here, because you cannot discuss something which does not actually exist. In our country, as in all others, criminals who have committed criminal acts, or public crimes against the state, are put in jail. In our country, unlike many other countries, these inmates of jails do not occupy themselves with embroidery or other work which is useless to the country. Things are so organized that in our jails people do real work and many of them even acquire skills. But this concerns only jails.

Q: How about concentration camps?

Mr. Polevoy: As for concentration camps, that is one of the irritating Western myths which have become so deeply rooted in the West that they no longer provoke irritation but smiles on our part. Here I shall allow myself, since I know that your publication is a very serious one, to remind you of one little example.

A year and a half or two or three years ago, an American trade-union delegation came to our country. They brought with them a book entitled "Forced Labor in the Soviet Union." The book had a map purporting to show the location of concentration camps in our country. The visitors started their conversation with our trade-union people by showing them this book and telling them: "If you want to be our friends, if you want to be sincere, show us one of these concentration camps."

Our trade-union people looked at the map, had a good laugh and said: "Certainly. We can take you to any of the spots designated on this map and you'll be able to see for yourselves what's there." This was taking place in Kiev, the capital of the Soviet Ukraine, and for some reason the map showed concentration camps to be concentrated especially in the Kiev area.

The visiting delegates were given the choice of traveling by car or by plane. They unanimously requested a plane, in order to be able to cover more ground. They were given a

(Continued on next page)

. . . "The very word 'poverty' is inapplicable to our country"

plane, and a correspondent of the magazine *Sovetskii Soiuz* [Soviet Union] went along with them.

They spent four hours flying over the Ukraine, and whenever they spotted one of the points designated on the map, the plane circled the area once, twice, three times, five times —as many times as they desired. In this manner they spent four and a half hours flying. They tired themselves out thoroughly.

But they did not find anything resembling what was designated on the map they had brought from the United States. Only once did they say they saw barbed wire and structures of some kind down below. At their request, the plane landed. They went there and it turned out to be an ordinary Army depot, as they could easily determine because they were even given permission to enter that depot.

These gentlemen turned out to be very objective people—at least during their stay in our country. They gave an interview about this matter to the correspondent of the magazine *Sovetskii Soiuz,* an interview which they all signed. In this manner was destroyed, before our eyes, one of those Western myths which, unfortunately, very greatly hamper the establishment of mutual understanding between ourselves and the West.

I do not know what these gentlemen related when they came back to the United States, but our journalists say that they gave the impression of being very objective and serious people and I think they related things as they happened.

Q: If labor camps were not found at the locations where visitors expected to find them, can you tell us where the camps really are located? Are you really saying, as newspapermen, that there are no labor camps in the Soviet Union?

Mr. Polevoy: What we said above concerning the so-called labor camps seems to us to take care of this question, and we see no need to return to it again.

"ATTACKS AGAINST PEACE"—

Q: Can you tell us who thinks up the bitter language used in Soviet newspapers to describe the United States and its leaders? Does each editor think up his own descriptions for Americans, or are there standard descriptions—related to the warmonger theme—that are distributed to all writers for use by them?

Mr. Berezhkov: The peoples of the Soviet Union have always looked—and look—with great respect upon the American people. They have high regard for the American people's love of work, their energy, their outstanding attainments in the fields of technology, economics and culture. We think that nowhere, in no country of the world, have so many works by American writers been issued—and in so many copies—as in the Soviet Union. In our country no one ever allowed himself to use bitter language against the American people or against the United States as a country. The peoples of the Soviet Union have profound respect for President Eisenhower as one of the outstanding commanders of World War II and a statesman of great intelligence and with great gifts.

As for declarations by separate individuals or organs of the press which openly call for war against the Soviet Union —as was done, for example, by the American magazine *Collier's,* which devoted a whole issue to this theme and even went so far as to publish drawings showing the destruction of Moscow by an atomic bomb—such attacks against peace and peaceful coexistence between peoples naturally meet with sharp rebuke in the Soviet press, and each editor administers such rebukes in the manner dictated, in each individual case, by his intelligence and his conscience. [See footnote.]

LIQUIDATING DRUNKENNESS—

Q: Does the Soviet press show an interest in social problems like drunkenness and poverty among the people?

Mr. Polevoy: Yes, our press devotes quite a great deal of space to social problems—as you know if you follow our press, which you probably do. After the war, there was a considerable increase of drunkenness in our country. This is a thing which we do not want to conceal from your readers, either, any more than from ours.

At first, we tried to liquidate this by a method which to you may seem strange, by raising the price of vodka. A bottle of vodka, which corresponds to your whisky, is much more expensive in our country than a bottle of champagne, a first-class wine which in your country is served to well-to-do people at formal dinners.

This measure had a certain effect, but proved insufficient, and our press launched a great campaign against drunkenness. The press started to satirize those cultural workers, heads of clubs and theaters, who were not struggling against drunkenness. In the medical field, the findings of science concerning the harmfulness of drinking were publicized in popular form on a wide scale. At the present time, the situation has improved considerably—precisely, I think, because the press and public opinion took a hand in the matter.

Q: How about other social problems, such as poverty?

Mr. Polevoy: So far as other social problems are concerned, they have a somewhat different form in the Soviet Union because the very word "poverty" is somehow inapplicable to our country. Everyone receives what is owed him according to the collective contract between the trade-union and the management. These collective contracts are strictly enforced. In cases of violation, the trade-unions appeal to the state, which compels the directors of plants and factories to live up to these collective agreements.

But the question of increasing the standard of living of the people as a whole is always in the center of attention of the press, because we consider that the standard of living which is satisfactory today will no longer be satisfactory tomorrow. And the press shows great concern for the most rapid possible rise in the people's standard of living.

Q: Is there a paper shortage in the Soviet Union at the present time?

Mr. Polevoy: Unfortunately, yes. Our newspapers and magazines could double or triple their circulation if only we had enough paper. Let me cite two examples, which I would very much like your magazine to relate to its readers.

We publish a great deal of foreign literature, including American. This year, for example, Sofronov, who now has the pleasure of visiting the United States as one of our group, undertook, as editor of the magazine *Ogonyok,* to put out a 12-volume edition of the collected works of your famous

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Editor's note: Mr. Berezhkov apparently refers to the Oct. 27, 1951, issue of *Collier's* which contained imaginary descriptions of what World War III would be like. It did not "call for war against the Soviet Union," as Mr. Berezhkov says, but was described by *Collier's* as a "Preview of the War We Do Not Want." The editors of *Collier's* wrote of the issue: "We earnestly pray that its effect will be to help establish and maintain an enduring peace."

author, Theodore Dreiser. He decided to put out 200,000 copies.

These 200,000 copies were immediately sold out and this did not meet one fifth of the readers' demand. Because of such great interest in the work of this American writer, our huge State Publishing House for Belles-Lettres, which, unlike other publishing houses, is a state enterprise, opened a subscription to a 300,000-copy edition of the works of Theodore Dreiser. And, in spite of the fact that this edition was in 16 volumes instead of 12, and included letters and other materials which are generally not widely read, it too was sold out in about two or three days. From this you can imagine how many copies of Dreiser we could put out if we had the paper.

Another example is Mr. Sofronov's magazine, *Ogonyok*. The demand for this magazine, which is issued in millions of copies, is about three times as great as can be met.

Yes, we are still short of paper.

NOT ENOUGH TEXTBOOKS—

Mr. Berezhkov: I would like to add that a lot of our paper goes for textbooks. As you may know, actually every adult in our country is studying, increasing his qualifications, acquiring some kind of new knowledge. Because of this, the problem of textbooks is a very acute one. In spite of the fact that textbooks are now being issued in huge editions, in millions of copies, the demand is still not being met, because of the people's striving for more knowledge, a higher level of culture, improved job qualifications, and so on.

Before the Revolution, Russia had no paper industry to speak of. There were only small enterprises of the handicraft type. Now we have huge paper-manufacturing plants, but that is still not enough and many new factories are now being built.

Q: Do Soviet papers have advertising? If so, what share of the cost of publication is borne by advertising and how much help is there from the state?

Mr. Berezhkov: Yes, we have advertising in our papers, but advertising does not play a decisive role. It isn't because our papers need some kind of added income that ads are printed. Our papers have such large circulations that the subscription price fully makes up for the cost of publication.

As for advertising, our newspaper *Vecherniaia Moskva* [Evening Moscow], for instance, as a rule devotes a full page to advertising. A number of our magazines have one or two pages of ads. Ads appear on magazine covers. But this is done chiefly in order to acquaint the reader with new types of consumer goods, new types of television sets and radios, etc.

This is done not for profit, but to provide information to people as to what they can buy, and where. Thus, advertising in our publications is of a totally different nature and actually has no significance from the standpoint of increasing the revenue of these publications.

Mr. Polevoy: The question has been asked as to whether our publications receive help from the state in the form of subsidies. I must say, although this may sound somewhat extraordinary to you, that our newspapers are extremely profitable enterprises even without advertising.

Take, for example, the magazine *Ogonyok*, a representative of which, Mr. Sofronov, is here among us. Its price is relatively low. Nevertheless, as Mr. Sofronov stated to correspondents in this country, he made a net profit, last year, of 64 million rubles [16 million dollars]—not for himself as editor, of course, but for the state—and without advertising. This indicates the popularity of our press. It shows that our press has become an integral part of the people's life.

Q: Not so long ago, there were many stories in the Soviet press to the effect that the Russians were first to invent the light bulb, the telephone, the radio, etc. Then the publication of such articles was discontinued. Why were they printed in the first place, and why was this stopped?

Mr. Polevoy: The thing is that our people were always very talented, but the Tsarist Government was, unfortunately, quite lacking in talent. We were considered the country of bast [wood fiber] slippers, the country of vodka and sour cabbage, the country where mournful songs are sung and only Dostoievski is read. That was, of course, nonsense, but such an opinion concerning our country did take root in the West.

At the same time, we were never conceited. We always gave due recognition to every people and every culture, and still do so today. It may surprise you if I tell you that the founder of our state, Vladimir Ilyich Lenin, in describing what the Soviet man should be like, said that we must combine in ourselves the American businesslike approach with the Russian revolutionary sweep.

But this does not mean that we can give up our national attainments and that which constitutes our national pride.

What I am about to say may seem strange to you, because all your textbooks say that the light bulb was invented by your great inventor Thomas Edison, whom, believe me, all of us respect no less than you do. But, 12 years before the light bulb was invented in your country, a light bulb was already burning in Paris. That bulb, invented by one of our countrymen, Yablochkov, burned at the Paris Fair.

According to your textbooks, the radiotelegraph was invented by the Italian, Marconi. It is true that he did invent a radiotelegraph, but, six years before Marconi, radiotelegraphs based on the same principle and invented by our inventor Popov were already to be found on Russian warships. That, too, may seem strange to you.

Our trouble was that in those days our Tsarist Government provided no stimulus for talented men, and if such an inventor did not receive support from somewhere beyond the border, where there were wiser and more intelligent people, the invention would become lost. Safeguarding our national pride, we decided to re-establish the truth in these matters. Intelligent scientists in the whole world agree with this. Badly informed laymen do not.

"GRATITUDE" TO EDISON—

As for the fact that we have now stopped writing about this, why must we, having once stated it, keep repeating it every time? We were never conceited. We never extolled our way of life as the best and the only good one in the world, but we do not want to forget all the great and glorious things which our people has contributed to the treasure-trove of world culture. At the same time all of us pay our debt of gratitude to great people throughout the world, such as Thomas Edison; the great technician and organizer of production, Henry Ford; Albert Einstein, Charlie Chaplin and other great Americans who have enriched world culture.

Q: Why do Soviet officials "jam" broadcasts into the Soviet Union by the Voice of America and Radio Liberation?

Mr. Polevoy: I had many occasions to answer this ques-

(Continued on next page)

. . . Voice of America gave "a very bad opinion of America"

tion in the course of my Western European travels, so that I can, in a sense, be considered a specialist in this matter.

As we crossed the California State line, we were asked whether we were not concealing fruits or vegetables in our suitcases. At first we were surprised, but then we saw that this makes very good sense: The Californians are protecting their soil and do not want rotten products imported into their State.

As I see it, it is for this same purpose of protecting our soil that we jam these various "voices"—they have different names: Voice of America, Voice of "Free Europe"—which try to corrupt the air over our country. We jam them, so to speak, for purely hygienic purposes.

Let me explain what I mean.

In our country, every citizen may subscribe to any Western European newspaper or magazine, and many of them do subscribe to such publications at their homes and at the offices in which they work. And I must tell you that, even when the "cold war" was at its height, your English-language press came to us promptly and exactly according to schedule.

I guarantee you—and you can check this against reports by your own correspondents—that we never jam American, English, French, Italian and other foreign-language broadcasts which are intended for the peoples of those countries. On the contrary, we are very interested in what is happening in those countries.

But when such broadcasts are beamed in our own Russian language and, to speak plainly, these broadcasts are apparently prepared by very ignorant and unintelligent people, we jam them because we do not like to have rotten goods imported into our country. That is the only reason.

I must tell you that, listening to the Voice of America, I came away—forgive me—with a very bad opinion of America. But when I came here and saw real American people, saw their life, saw how eagerly they work for the well-being of their country—during these last two weeks I spoke to hundreds of Americans, from the biggest businessman to taxi drivers and common people in apartments that I visited—I heard the real voice of America and I was very glad, gentlemen, to find that this voice of a courageous, work-loving, glorious people in no way resembles those ugly, hoarse sounds which pollute the atmosphere. To broadcast Voice of America materials is to throw money to the winds. But perhaps the United States, being a wealthy country, can afford such luxury.

NIGHT ARRESTS "NONSENSE"—

Q: Do the organs of Soviet state security come around at night to arrest politically suspect individuals?

Mr. Polevoy: I think that legends and rumors of this kind arise because literature on gangster subjects is widely developed in the West. All these famous comics of yours are responsible for the fact that people try to find, even in the most legitimate phenomena of public life, such romantic elements as night arrests, masks, pistols and suchlike things. All this is, of course, nonsense from beginning to end. In every country, including yours, there are organs which protect the security of the country. They have different names, but they fulfill the same function useful to the state. They defend the state.

So far as the arrest of a person is concerned, I do not know how things stand in your country, but in ours this absolutely requires the permission of the public prosecutor, who always goes over the case in connection with which the arrest is made. An arrest cannot be made in our country without permission from the public prosecutor. As long as the arrests are carried out lawfully, there is no reason to associate the arrests with nighttime, or with some kinds of "black ravens" [canvas-covered wagons in which arrested people are taken to jail], as you call them, or with other romantic trimmings from gangster novels. So long as arrests are carried out under the law and on the basis of the law, they may be made at night or in the daytime. All these narratives, therefore, about night arrests in our country supply material for our humorous publications, *Krokodil* and the many other such magazines published in the Soviet Union.

Mr. Morrison, an Englishman who was Britain's Foreign Minister, said that we in the Soviet Union do not want to tell our people the truth and that our press does not publish the truth. He was told that if he, Mr. Morrison, writes an article, that article will be published by any of our papers, no matter what he writes. An article by him was, indeed, published in our press. He wrote that life in the Soviet Union is dangerous, that whereas in the West the knock on the door in the morning is that of the milkman, in our country it is the fearsome knock of GPU agents who have come with a "black raven" to arrest people. Our country laughed over this for about a week and a half, and vaudeville artists and clowns made fun of it in their acts.

But all this, in my opinion, is material for satire and humor rather than for serious conversation.

Believe me, gentlemen, on this subject our laws are no less strict than yours and we follow these laws of ours no less strictly, at any event, than you do.

FINGERPRINT "CONTROVERSY"—

Q: The Soviet Government seems to regard Soviet correspondents abroad as official figures entitled to diplomatic immunity. Why is this?

Mr. Polevoy: I think that you are quite mistaken. In our visiting group, for example, not a single one of the correspondents enjoys diplomatic immunity. I am the only one who has a diplomatic passport, but this is not because I am a newspaperman, but because I am a member of the Soviet parliament.

When our journalists came here, we had a controversy about the fingerprinting requirement. This did not come up in connection with any of the European countries, only the United States. In the Old World, only crooks with a criminal record are fingerprinted, and this procedure is somewhat insulting for us who were raised in the traditions of the Old World.

But we must say that your State Department went along with us in this matter and we were given official passports which emancipated us from this procedure, which we deem humiliating. Perhaps this is an Old World prejudice, but we cannot alter our own selves.

Q: Why is it that Soviet publications so often print only percentages of industrial production goals achieved, instead of giving absolute figures about actual production?

Mr. Berezhkov: That is a tradition of ours, which has existed for many years and dates back to our first Five-Year Plans. But this does not at all mean that we do not publish figures which indicate the actual growth of our industry. If you carefully follow our press, you will see that whenever a new Five-Year Plan is worked out, absolute figures are given.

Since we all know these basic figures, we can subsequently visualize what is meant by fulfillment of the plan by 10, 15 or 20 per cent. Anyone who is interested can look up the absolute figures which were published at the time the Five-Year Plan was being drawn up.

Q: Do you have any other news agencies aside from the official Government news agency, Tass?

Mr. Berezhkov: We have the Radio Committee and the Soviet Information Bureau which give out various kinds of information. In addition, the different publications have their own correspondents who report news directly to their papers. Also, every republic has its own news agency.

Mr. Polevoy: Tass is an official news agency. Often it is empowered to express the Government's viewpoint on a particular question, that which in your country is accomplished through press conferences or speeches by leading Government figures on college or university campuses.

Q: Are the news agencies of the different republics separate from Tass?

Mr. Polevoy: Yes, they are separate. Our republics have their own life, their own flags, their own hymns, their own laws. These news agencies reflect the viewpoints of the republics.

Q: Are these republic agencies official bodies, like Tass?

Mr. Polevoy: Yes, they are official news agencies of the various republics.

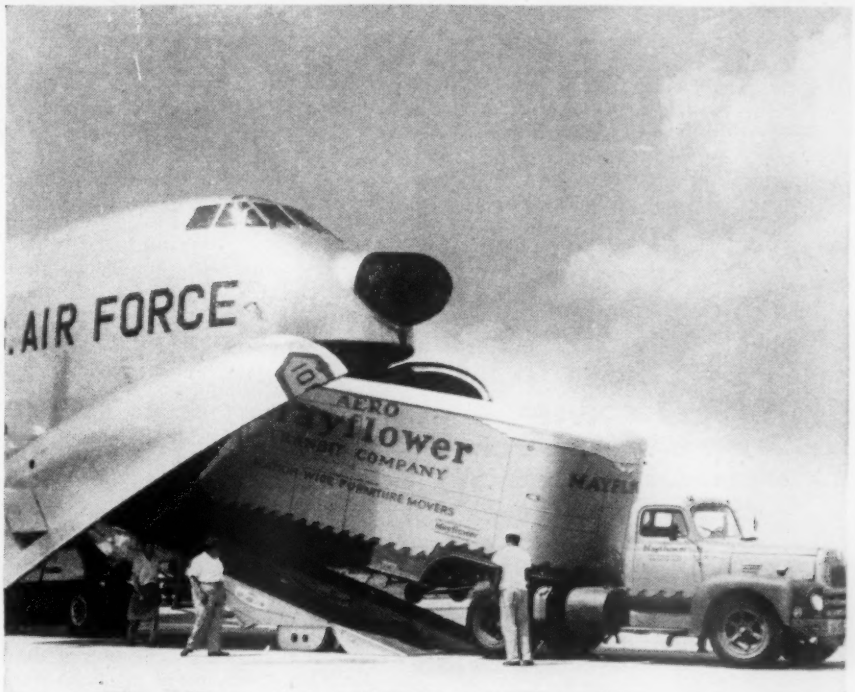
Q: Does the Government show greater responsiveness to public opinion since the death of Stalin?

Mr. Berezhkov: In this connection I would like to give you the following example. Let us suppose that you get married. After a while you will probably have a child. Conditions in your family, in your private life, will change. The life of individual peoples and individual countries undergoes similar changes. Everything undergoes development. Today is not like yesterday and tomorrow will be unlike today. It is natural for life to change.

For this reason, things undergo development in our country as well as in yours. I think that the people who ascribe the changes which take place to specific events of some kind are wrong. These changes are quite natural and they take place according to the laws of development of society. We think that our people, having suffered such huge privations during the war, necessarily had to devote all its strength to the restoration of industry, to the restoration of agriculture, to the construction of new housing.

As you know, some 25 million of our

(Continued on page 92)



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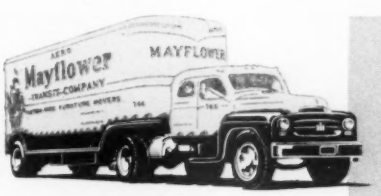

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. . . "Foul activity of Beria" caused trouble with Tito

people found themselves without shelter after the war. This great strain had an effect, of course, on our internal life. We have now attained a great deal; we have achieved great successes; this naturally contributes to a certain relaxation of the strain within the country and coincides with the relaxation of tensions in the international sphere as well. We think, therefore, that the relaxation to which you refer is the result of a natural process, of natural development.

Mr. Polevoy: In general, we are always surprised, when we are in the West, by this tendency to explain everything in terms of personalities. The fundamental law of our country, our Constitution, speaks of government by the people and says that the country is headed by persons who express the will of the people. That is why we always take a critical attitude and, if you'll excuse me, an attitude of amusement, toward such purely "Western" queries, which are based on an attempt to explain this or that movement in the development of a society in terms of personalities and always to tie such a movement to the name of a particular person. We deem that this is basically incorrect. History develops according to its own laws, and historical development does not depend on personalities although we do not, of course, deny the importance of individuals in history.

Q: In our country, our Government leaders regularly submit themselves to press conferences at which they are sharply questioned by reporters. Is there a similar practice in the Soviet Union?

Mr. Berezhkov: In this respect, every country has its own traditions and ways of doing things. In our country, there are no such regularly scheduled press conferences, although those who follow our press know that our leaders do answer questions by our own correspondents, from *Pravda*, *Izvestia* and other papers, and by correspondents of foreign publications. Recently such important figures of American journalism as Mr. Hearst [William Randolph Hearst, Jr.] and Mr. Kingsbury Smith, as well as other American correspondents and journalists, had long conversations with our leaders. [See footnote.]

Tito Problem "Clarified"

Q: Does the Soviet press find difficulty in explaining to its readers such sudden shifts of Soviet policy as the shifts from friendship to bitter enmity, and then again to friendship, with Tito?

Mr. Berezhkov: This question, as well as other questions of foreign and domestic policy, has received and still receives broad coverage in our press. When our Soviet Government delegation went to Belgrade, Khrushchev, who headed this delegation, made a declaration at the Belgrade airport, a declaration with which American readers, too, are apparently familiar. This declaration sets forth with sufficient clarity the circumstances which surrounded Soviet-Yugoslav relations. Our press carried the text of that declaration and, in addition, editorials and other articles were published which made this subject sufficiently clear.

Beria's "Misrepresentations"

Mr. Polevoy: As a man who fought in Yugoslavia, I would like to add something to this. When we were in Yugoslavia, there was, I think, no friendlier people, no people closer to us in spirit, than the Yugoslav people. At that time, Soviet people had no more courageous allies than the partisans of Yugoslavia as well as partisans of other countries. The whole thing took place, as Nikita Khrushchev quite correctly and very profoundly expressed it, as a result of the foul activity of Beria, who fabricated false documents and misrepresented the position of the Yugoslav Government. This led to the estrangement which has now been terminated—to the great joy, I think, of both the Soviet and Yugoslav peoples.

In conclusion, I would like to thank the Editorial Board of your magazine for the great attention which it showed us. It seems to me that such truthful and direct conversations as just took place between your correspondent, Mr. Kucherov, and two ordinary Soviet journalists, Mr. Berezhkov and myself, will make a much greater contribution to mutual understanding between the American and Soviet peoples than the biting editorials and the mutual reproaches which, unfortunately, sometimes appear in the press. We must get to know each other better and speak of each other more objectively. If you read our Soviet press, you know that we are now doing a great deal in this respect.

Mr. Berezhkov: If you'll permit me, I would like to take this opportunity to transmit, through your publication, on behalf of our whole visiting group of journalists as well as ourselves, a warm greeting to the American people, to those Americans whom we actually met and to those whom we could have met. We highly appreciate their friendly attitude.

Editor's note: Full text of an address in which Mr. Hearst reported on his trip to Russia appeared in *U. S. News & World Report* in the issue dated March 11, 1955.

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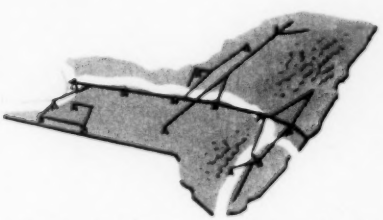

The New York State Thruway flows through the heart of the Niagara Mohawk System. At left you see an artist's concept of the busy Syracuse area. More and more industries are making it their headquarters for both management and manufacturing.

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Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

INCOMES ARE RISING NEARLY EVERYWHERE

This is the geography of the business boom—

People in Central and Southern States have biggest increases in incomes. Other regions show just a scattering of big gains.

Gains follow heavy industries—steel, autos, other "durables." Where these are made, communities flourish. Rural areas, places making textiles, do less well.

People in almost every part of the country are sharing in the benefits of today's business boom.

In all but three States, consumers have more money coming in this year than they did in 1954. Incomes are growing faster than population, more than keeping up with the trend toward larger families.

The result for the average household is a rising standard of living, a little extra money for luxuries after necessities are taken care of. People are buying more, and merchants—especially those who deal in such things as cars, appliances, toys, jewelry and expensive clothing—are enjoying a boom in sales.

There is more money left over, also, for medical care, entertainment, travel and various services.

However, businessmen are finding that the biggest gains of the boom are concentrated in a minority of States. To know where incomes are rising fastest, and to determine where consumers and the stores they deal in are reaping the biggest benefits, take a close look at the chart on this page.

Average income per person in the U. S. is estimated by the Economic Unit of *U. S. News & World Report* at $1,828 this year, compared with $1,770 in 1954, an increase of 3.3 per cent. That is based on latest Government reports.

Gains are more than average in 20 States and less than average in 25 States. Incomes are running slightly smaller than in 1954 in the remaining three.

You find most of the gains being made in two regions—among the Southern States east of the Mississippi River and among the States bordering the Great Lakes.

Of 12 Southeastern States, nine show gains ranging from 3.4 per cent to 8.0 per cent in per capita income. Out of five States in the Great Lakes area, three

(Continued on page 96)

WHAT PEOPLE EARN: *State by State*

Income per person in 1955 (est.) **$1,828**

Change from 1954 . . . . . **UP 3.3%**

	Income Per Person In 1955 (est.)	Change From 1954
Alabama	$1,178	UP 8.0%
Arizona	$1,566	DOWN 1.0%
Arkansas	$1,041	UP 6.3%
California	$2,214	UP 2.4%
Colorado	$1,712	UP 1.5%
Connecticut	$2,406	UP 1.9%
Delaware	$2,426	UP 2.3%
Dist. of Col.	$2,304	UP 3.8%
Florida	$1,617	UP 0.4%
Georgia	$1,330	UP 7.5%
Idaho	$1,492	UP 4.1%
Illinois	$2,225	UP 3.2%
Indiana	$1,934	UP 5.5%
Iowa	$1,691	UP 1.4%
Kansas	$1,716	UP 1.6%
Kentucky	$1,254	UP 3.1%
Louisiana	$1,339	UP 2.8%
Maine	$1,530	UP 2.5%
Maryland	$2,026	UP 4.4%
Massachusetts	$1,953	UP 1.6%
Michigan	$2,150	UP 6.6%
Minnesota	$1,664	UP 1.2%
Mississippi	$ 938	UP 7.4%
Missouri	$1,790	UP 2.5%
Montana	$1,781	UP 3.0%
Nebraska	$1,639	UP 0.2%
Nevada	$2,385	DOWN 1.2%
New Hampshire	$1,686	UP 5.0%
New Jersey	$2,256	UP 1.7%
New Mexico	$1,451	UP 4.6%
New York	$2,194	UP 1.4%
North Carolina	$1,266	UP 6.4%
North Dakota	$1,238	UP 4.4%
Ohio	$2,064	UP 4.1%
Oklahoma	$1,508	UP 2.9%
Oregon	$1,858	UP 5.7%
Pennsylvania	$1,806	UP 1.2%
Rhode Island	$1,906	UP 4.6%
South Carolina	$1,128	UP 6.1%
South Dakota	$1,353	UP 1.6%
Tennessee	$1,253	UP 3.4%
Texas	$1,639	UP 4.1%
Utah	$1,528	UP 3.0%
Vermont	$1,444	UP 2.6%
Virginia	$1,558	UP 5.3%
Washington	$1,999	UP 2.6%
West Virginia	$1,276	UP 3.6%
Wisconsin	$1,749	UP 2.5%
Wyoming	$1,772	DOWN 0.4%

Basic Data, Commerce Dept.; 1955 estimate by USN&WR Economic Unit

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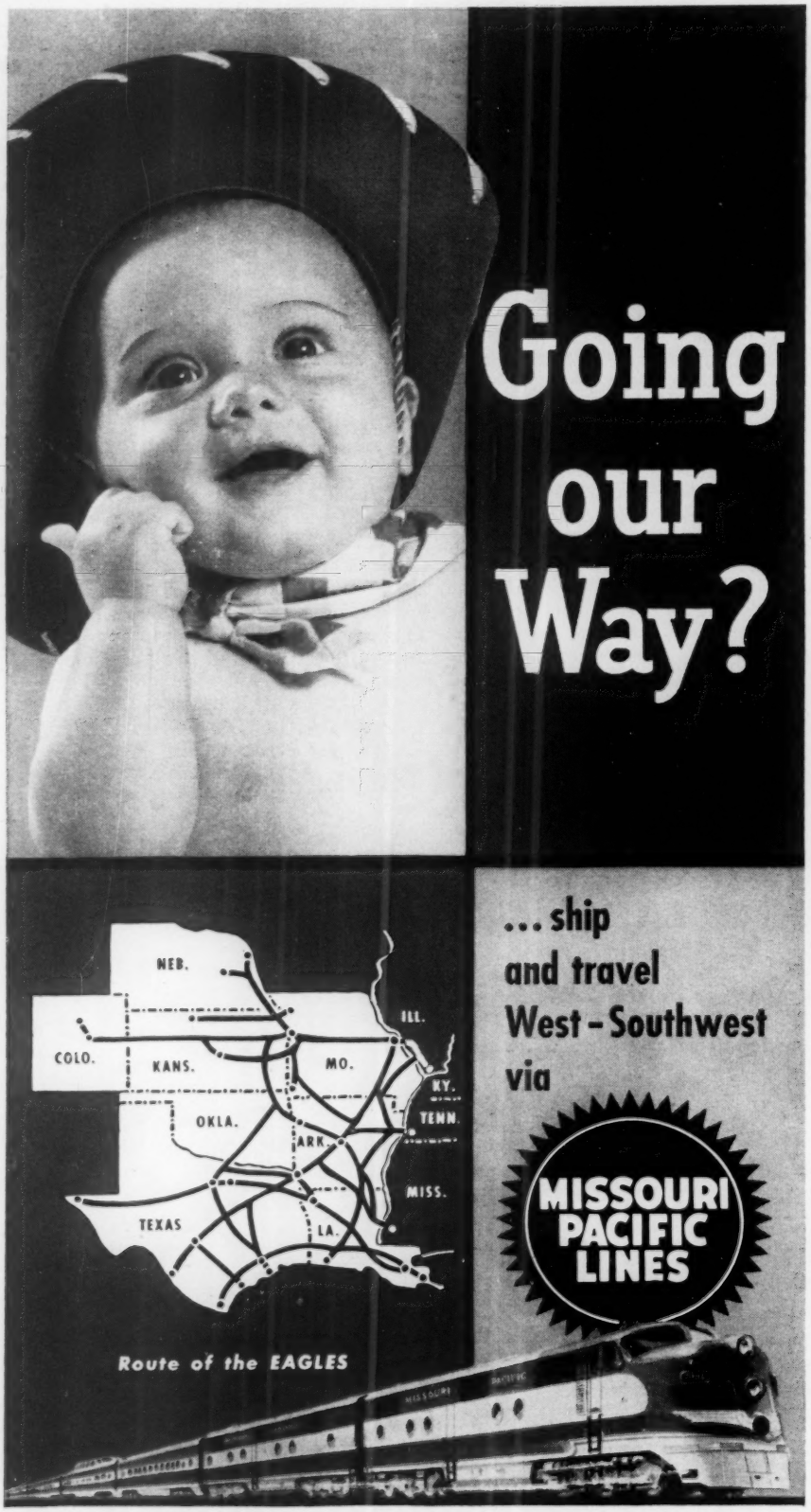


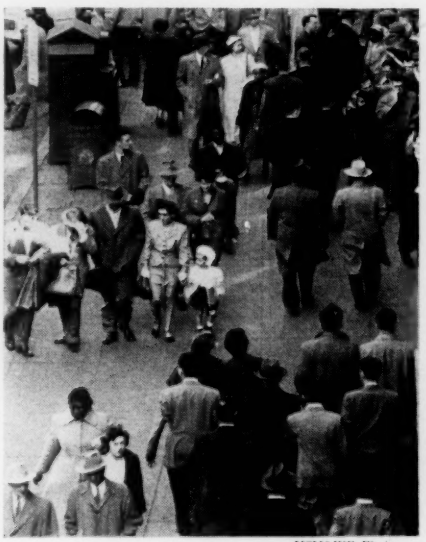
Heavy industries are pacing the boom . . .

show gains ranging from 4.1 per cent to 6.6 per cent.

Other big gainers are scattered: two in New England, one on the Canadian border, one on the west bank of the Mississippi, one in the Southwest, two in the Rocky Mountain region, one on the Pacific Coast.

Uneven boom. This unevenness grows out of the nature of the boom, which is favoring some businesses much more than others and, on the whole, is passing the farmers by.

Greatest increases are being shown in production and sale of autos and other durable goods. That is why Michigan shows a big increase in incomes of consumers. Here, unemployment has been all but wiped out, wages have risen a good deal, overtime has been common.



–USN&WR Photo

SHOPPERS HAVE STILL MORE MONEY
. . . and they're in a mood to spend it

Indiana, Illinois and Texas are favored by similar development.

The coal industry is recovering from a depression; steel and other heavy industries are setting new records for production, payrolls and profits. The gains shown in West Virginia and Ohio reflect this fact.

While income from farming is generally smaller, farmers in some States are actually better off this year than last.

Income from dairying, eggs and poultry is a little larger than in 1954. This is helping raise the income level in New Hampshire.

Some Southern States—such as South Carolina, Georgia, Mississippi and Alabama—will take in more money from the

. . . Even in farm States, over-all income is up

cotton crop this year than they did in 1954, despite Government restrictions on planting.

In the same way, the tobacco crop is bringing in more money in Virginia, and wheat farmers in North Dakota are getting a bigger cash crop.

In fact, the decline in farm income in most States is more than offset by gains in industry, trade and finance.

What you find in most farm States is that the decline in farm income is a drag, yet not enough to prevent the average income for persons in the State from rising a little.

Drop in production. Louisiana's gain in incomes is small, because the sugar and rice crops are smaller this year. The State is finding out that its prosperity still is much affected by the farmer, in spite of new industries that are rapidly growing.

In Oklahoma, the wheat crop, which still is important, will bring in less than half of what it did in 1954. Here, too, industry is not big enough to ignore the farmer. Because of the farmer's trouble, the State is not advancing faster than average, as it did in some past years.

The three States where incomes average lower this year are rather heavily dependent on farming. In Arizona, for instance, the cotton crop is sharply reduced.

In New England, the chief problem seems to be competition, tending to hold back wages and other costs. The textile industry is fighting for its life against new mills in the South and West and against foreign imports.

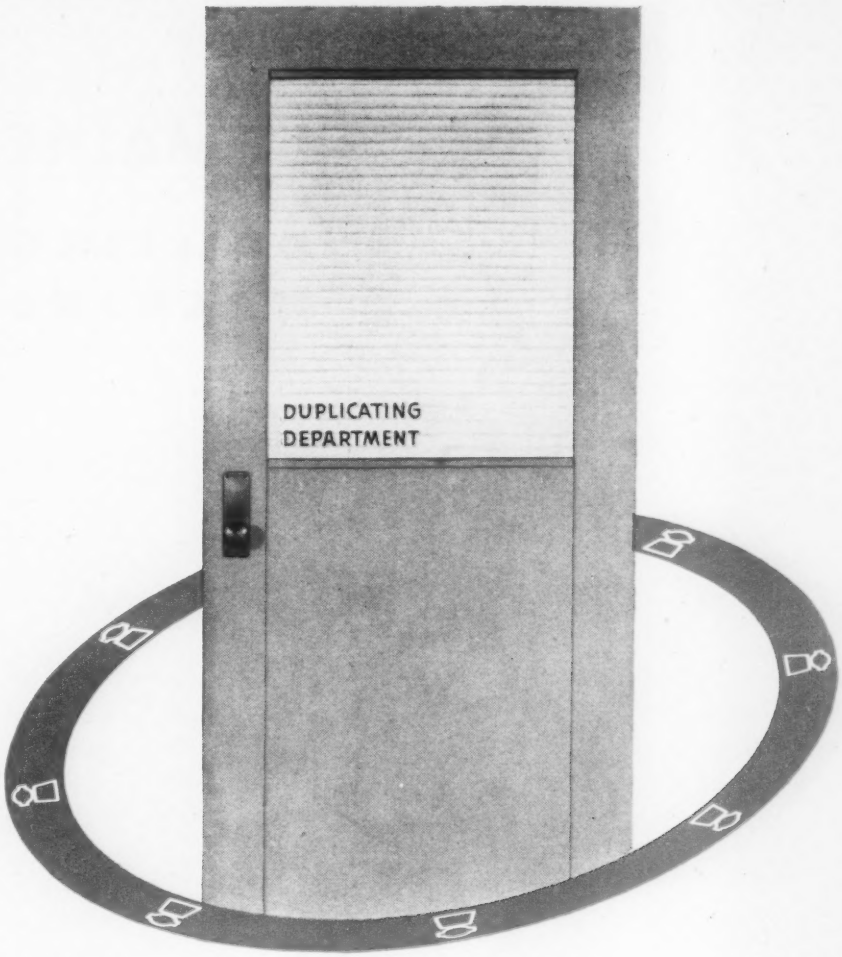
Rhode Island, with less invested in textiles, more in electronics, metals and other durable goods, is doing better than its neighbors.

In the Rocky Mountain region, prosperity apparently has not been aided as much as might have been expected by the uranium boom and improvement in other mining.

Growing markets. A company that is trying to size up potential business watches the figures on income levels shown in the chart. It also keeps an eye on the trend of population. Average income multiplied by population is the measure of the market.

For instance, average incomes are rising more rapidly this year in New Hampshire than in Massachusetts. But the total amount of income received in Massachusetts will be about 10 times as much as in the smaller neighboring State, and the increase from a year ago, Statewide, will be about 320 million dollars

(Continued on page 98)



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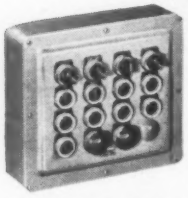

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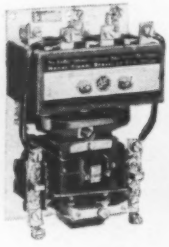

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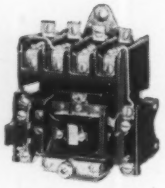

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. . . Biggest beneficiary of prosperity: West Coast

in Massachusetts and about 53 million in New Hampshire.

In other words, the individual seems to be getting a greater lift in New Hampshire, but a businessman may see his market expanding more in Massachusetts.

The biggest State-wide gain in income is taking place in California, where the amount received this year will be about 1.5 billions larger than in 1954. This is a State of rapidly growing industry, rapidly growing population and high average income.

California is second only to New York in total income.

New York, growing less rapidly, will have income totaling about 1.3 billions more than in 1954. In Michigan, the increase will be about 1.4 billions.

Long-term trends. Most of the gains this year are in line with established trends over long periods. There are some exceptions, however, especially in the South and in the Mountain States, where increases this year are smaller, largely because of the shrinkage in farm income.

The Pacific Coast stands out as the area where income and markets have grown most over the long run. Back in 1929, the three Western States had 8.5 per cent of all the personal income received in the U. S.; this year they are getting more than 12 per cent.

Southern States near the Atlantic Seaboard had less than 8.5 per cent of the national total in 1929 and now have more than 11.5 per cent. Other regions which are getting a bigger share of the total are the South Central States, the Southwest and the Mountain States.

The North Central States, around the Great Lakes, have shown ability to reverse a downtrend. Their share of income was decreasing from 1929 to World War II, but the region has since recovered the lost ground.

On the other hand, New England and the Middle Atlantic States today have a smaller share of the nation's personal income than they had in 1929; they have been losing ground rather steadily.

Those two regions, the Government statistics show, command an important part of the nation's income; as markets they are very large and still growing. But they are showing less potential growth than other areas.

The present boom is bringing benefits almost everywhere. But it is favoring a few regions, containing a minority of the States, over all others. States that have put their chips on heavy industry, on autos and other consumer durables are the ones that are getting most of the cream of prosperity in 1955.

(Advertisement)

Fuels for the Stratosphere —And *Beyond!*

by WILLY LEY

Famous Rocket Expert

Willy Ley is one of the first pioneers in rocket research. As early as 1927 he became one of the founders of the German Rocket Society. Now a popular author and lecturer on "rocketry," Willy Ley is also a consultant to the Office of Technical Services of the Department of Commerce and a member of rocket societies all over the world.

During my lecture tours, I visit a great many oil company laboratories. Each time I find oil scientists vitally interested in the fuels of tomorrow. In fact, our discussion automatically seems to turn to fuels for all kinds of rockets—for rocket-propelled aircraft—and finally—for space-going craft!

Rocket fuel research is highly complex—and very expensive. You see, there is no "best" fuel for rockets. Each rocket has special needs. For example, if your rocket is a military missile, it may have to stand ready, fully fueled, for quite some time. That calls for a fuel which can "stand and wait."

But if you have a towering research rocket which carries instruments beyond the stratosphere and pokes its nose into empty space to see how empty it actually is, you need a special fuel combination which can be put into the tanks just before firing.

Furthermore, we want rocket fuels to contain more than just a lot of energy. Like the motorist who wants a fuel without knock—the rocket engineer has lots of special wishes: his fuel must not freeze on cold days in the Arctic—nor can it develop high vapor pressure on a hot day in the tropics.

It must not be too light because lots of fuel weight in the tank is essential. It must be in plentiful supply because a large rocket burns about 300 pounds per second. For the same reason it must not cost too much. And it must be a good heat conductor because fuel is used to cool the rocket motor from outside before it is injected to burn inside. And to make the rocket engineer really happy, the fuel should not need any ignition but burst into flame spontaneously when meeting the liquid supplying the vital oxygen.

You can see that developing "perfect" rocket fuels is a tough assignment. But from what I've seen of oil scientists, they're sure to meet this challenge.

Top automotive engineers will tell you that the moment they come up with an advanced engine design, oilmen always are ready with the proper fuel to power this engine efficiently and economically. And in rocket research, oil scientists have already contributed various jet fuels, ethyl alcohol for research rockets and the hydrazine needed for "ignitionless" rockets.

There is a good reason why American oilmen are always ready for tomorrow. It is the intensely competitive nature of the oil industry. No company can stand still even for a second. Each company exerts every effort to stay ahead of rivals by developing new and improved products at *the lowest possible price*. The result is progress—lots of it.

To me this is a perfect example of the way all of us —whether we are rocket engineers or just car owners—benefit from the American competitive business system.

This is one of a series of reports by outstanding Americans who were invited to examine the job being done by the U. S. oil industry. This page is presented for your information by The American Petroleum Institute, 50 West 50th Street, New York 20, N. Y.

ARE YEAR-ROUND SCHOOLS COMING?

Pressure Growing for Greater Use of Classrooms

How to get maximum use out of the nation's schoolrooms—that's a big question facing parents and educators now.

All-year school, with staggered vacations, is being backed as one solution. So are plans for a longer school day, more split sessions.

A White House Conference on Education this month may supply some answers.

Many towns and cities in this country, beset by acute classroom shortages, are facing this hard choice: more taxes for parents and other citizens, or less education for children.

One way out of the dilemma has been suggested: Make existing school buildings do extra duty. But the more communities look into such a plan, the further away they seem from a solution to the problem.

People now are wondering if there is waste in school operations. They are taking a hard second look at proposals, some tried, some untried, that boil down chiefly to these propositions:

- Stagger three-month vacation periods all around the year. Then, in theory, schoolhouses can handle a third more students.
- Lengthen the school day. Either make students work longer hours, or put them on two, or even three, shifts.
- Draw out the school year to 11 months or more.

These proposals are getting attention in plans being laid for the White House Conference on Education, set for November 28 through December 1. Two States, Washington and New Jersey, already have notified federal authorities that they are interested in the subject and may bring it up at the Conference.

Thus it is probable that in the near future you will be hearing more of all-year school, in one form or another, as a way of saving millions, perhaps billions, in tax money at a time when construction costs per classroom average $35,000.

What is in the back of many individuals' minds was expressed by one school official: "Why should we spend millions for school buildings and then allow them to remain idle three months in the year? No solvent business concern would tolerate such management."

Year-round school. The plan most frequently mentioned is called the four-quarter plan. A number of cities have put it into effect and then scrapped it. But the four-quarter plan seems to die hard. People are talking it up again. Several cities recently have made studies of it.

The idea is this: Divide the year into four terms of three months each. All pupils study for nine months, but one fourth of the youngsters vacation during the three summer months, another fourth in the autumn, another in the winter and the remaining fourth in the spring. The school plant is thus in operation all 12 months and can accommodate a third more pupils than under a nine-month school year. In effect, 33⅓ per cent more classrooms are added with no additional outlay in building costs.

Backers of the plan say teachers, too, will benefit. The teachers will work on a 12-month basis, earn more pay. The extra pay is regarded as a way to meet complaints of low salaries in teaching jobs. And the added salaries themselves come to far less than the cost of erecting new buildings and hiring new teachers for them.

In the 1920s and 1930s, Newark, N. J., and Nashville, Tenn., tried variations of the four-quarter plan, but the purpose

NEW CROPS OF STUDENTS KEEP COMING
The need: 160,000 new classrooms

was mainly to step up scholastic progress, not to ease overcrowding.

From 1928 to 1938, Aliquippa, Pa., gave the rotating-vacation system a trial. At the start, the city estimated it needed 37 new classrooms. The quarterly system was put into operation specifically to alleviate overcrowding.

In trials: disillusionment. At first, supporters were enthusiastic. The superintendent of schools rated the capacity of the high school at 1,650 students on a nine-month basis, and at 2,200 under the four-quarter system. Teachers were offered 12-month contracts, which would bring them more total income. Most signed for the whole year.

Another Pennsylvania town, Ambridge, gave the four-quarter plan a fling. It, too, thought it had found an answer to the problem posed by one city official: "During the school session our buildings are too crowded to be efficient and during the summer they are depreciating monuments to wasteful utilization."

But, after several years of trial, all of these cities went back to the old setup. What went wrong?

School authorities humped into formidable maintenance headaches. Painting and repairs that usually were carried on unhampered during the quiet summer had to be handled while the buildings were overrun by hordes of children.

Furthermore, administrative difficulties loomed larger each year. Sports programs hit snags. Only the larger schools, with several classrooms for the same grade, lent themselves easily to quarterly division. Multiple enrollments and graduations mixed things up more. Class scheduling became complex. Some teachers were reluctant to sacrifice the summer university study necessary to maintain their professional standing and, perhaps, permit them to move into higher salary brackets.

Parents generated most of the opposition. They soured on splitting family vacation periods. There were youngsters running the streets the year around.

It was against this background that Los Angeles and Houston made recent studies. They came to the conclusion that savings in construction would not compensate for prospective troubles.

Another plan—to work the students more hours each day—has been given a thorough test abroad.

Longer school day. In both France and England, classes usually continue longer than in the United States. French secondary schools generally run to 5 p.m. In England, the school day adds up to more than this country's typical grade-school schedule of 9 a.m. to 3 p.m.

But this sort of extended day has never caught on here. Critics point out that pupils may graduate sooner by working

(Continued on page 102)

1,200 boxcars on the track to bigger profits with Neoprene

This is the story of how neoprene helped one major railroad make bigger profits. The railroad faced the problem of cargo chewing up the inner walls of its boxcars. Quite often, after only a few hauls, inspectors lowered the cars' Class A ratings and therefore made them ineligible to carry the most profitable freight.

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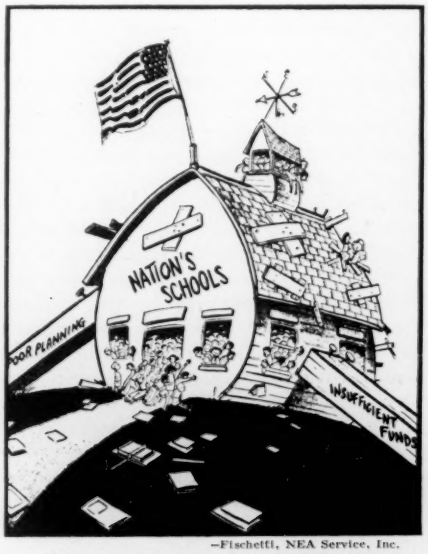
[continued] **ARE YEAR-ROUND SCHOOLS COMING?**

longer hours, but that this would make no immediate dent in the problem of overcrowding.

In different form, however, the longer day has taken hold. Many U. S. schools operate from 8 a.m. until late afternoon, on a double-shift basis. Sometimes there are even three shifts. At first, double sessions, often running from 8 a.m. to noon and from 12:30 p.m. to 4:30 p.m., were considered only an expedient.

Double sessions soon became common, all the way from New York City to Alameda, Calif., and down to Austin, Tex. Now they are seemingly permanent in many places, and about a million children today are on such schedules. No



—Fischetti, NEA Service, Inc.

"IT CAN'T GO ON FOREVER"

Everybody wants something done . . .

one likes the thought of "half an education" for children. But this plan has achieved the practical result of doubling the capacity of rooms and, frequently, thinning classes out to a desirable 30 pupils per teacher.

Shorter vacations. Still another plan to use schoolhouses more intensively calls for a longer school year. English and Dutch children generally get only seven-week summer vacations. In fact, more than a hundred years ago, children in New York City, Chicago, Baltimore, Cincinnati, Buffalo and Detroit attended class 11 months or more a year.

Circumstances of modern living, however, with emphasis on shorter working hours for almost everybody, have thrown up barriers to the extended school year. Most educators feel that a graduation speed-up offers little in the way of eas-

ing the classroom shortage over the short run.

The situation: serious. What brings these proposals forward is the serious lack of teaching space. Depression and war cut down on school building, and the bulge in the birth rate aggravated the shortage. As a result, children are now being taught in temporary buildings, auditoriums, gymnasiums, churches, libraries, even stores.

More than 1 million lower-grade and high-school classrooms are now in use. During the 1954-55 school year, 60,000 new classrooms were completed. But enrollments keep going up, while fire and obsolescence take their toll of old structures. Right now, at least 160,000 more classrooms are needed. Even to get a good start on halting overcrowding and taking care of building replacements, an

—Herblock in the Washington Post

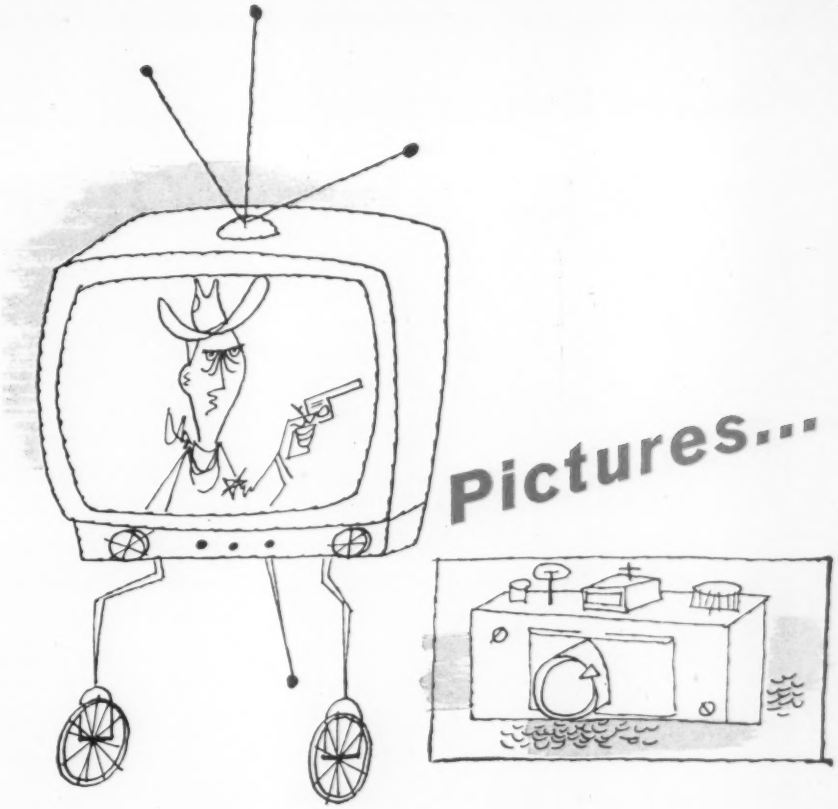
"IN SCHOOL, SORT OF"
. . . but is there a solution?

expenditure of 3 billion dollars a year would be required over a five-year period, according to one estimate.

This is almost 50 per cent more than the present rate of expenditure.

And, while schools are packed, taxpayers are putting up increased resistance to added taxes—even for schools. Educators, privately, admit that it will take more than tax boosts to solve the classroom shortage in the years just ahead. Many parents feel all-year schools might stave off, at least partly, heavier taxes.

This situation presents a problem for the coming White House Conference. It is one reason why Washington State educators, planning for the meeting, warned that more will have to be done than just to find new sources of revenue and why they served notice that a re-examination of the school day and year is now in order.



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Senators Want to Know:

IS GENERAL MOTORS TOO BIG?

Here is official word on why a Senate subcommittee is looking into General Motors.

Senator Joseph C. O'Mahoney (Dem.), of Wyoming, who is conducting the hearings, gives these reasons, among others:

- **GM is the largest manufacturing company in the world.**
- **It produces more passenger cars than all the rest of the industry combined.**
- **It is the biggest supplier of goods for the U. S. Government.**

Answers are sought to these questions: How did GM get so big? Is the power it holds likely to be abused?

Following is full text of a statement issued Nov. 1, 1955, by Senator Joseph C. O'Mahoney (Dem.), of Wyoming, member of the Senate Antitrust and Monopoly Subcommittee:

The hearings on the automotive industry, which are to resume on Nov. 8, are not an "investigation" but a study. The Subcommittee and its staff are not in search of defendants for prosecution under the antitrust laws. They are in search of facts which will enable Congress to pass such legislation as may be necessary to stabilize the relationship between the people as individuals and the great corporations, organized under State laws, which do business throughout the United States.

The Subcommittee has before it the report of a special committee appointed by the Attorney General to study the antitrust laws, and our inquiry extends to all subjects mentioned in this report and to all related matters in the economic sense.

The sessions which begin on Nov. 8 will concern only one phase of the general economic problem. Because General Motors Corporation is the largest corporate unit in the automotive industry, as well as the largest manufacturing company in the world, it is anticipated that the hearings to be held in Washington will extend over a period of three to four weeks, and will deal with various subjects relating to the structure, policies, practices and operations of General Motors.

Testimony has already been received from all the other manufacturers of automobiles—Ford, Chrysler, American Motors, Studebaker-Packard, and Kaiser Motors Corporation. General Motors is appearing now because the study of the automotive industry would not be complete without the presentation of the testimony of its management.

General Motors occupies a dominant position in industrial America. Not a single community in the land, certainly not a single State, is unaffected by its operations and policies. The economic life of people all through the nation is closely tied to the part played by General Motors in interstate and foreign commerce. This is the economic field which the drafters of the Constitution placed under the exclusive legislative jurisdiction of Congress.

When it is realized that the automotive industry alone receives from the consumers approximately 30 billion dollars annually; that it consumes about one fifth of all the steel produced in the United States; that more glass, copper, zinc, lead and other commodities are used by the manufacturers of cars than in the manufacture of any other article, and that numerous other industries count the motor manufacturers their best customers, it is easy to see why the economic story of the automotive industry cannot be told without also telling the story of General Motors.

Facts already revealed to our Subcommittee show that this huge segment of the national economy is more highly concentrated than ever before. Judge Stanley N. Barnes, the present Assistant Attorney General at the head of the Antitrust Division, told this Subcommittee that, in his view, "producer concentration lies at the heart of the antitrust problem in the automotive industry."

Automobile manufacturers have been disappearing from the scene while General Motors has shown itself to be a growing giant, the future size of which no man can predict. Recent mergers have reduced the number of automobile producers in the United States from nine to six.

Three mergers were approved by the Department of Justice or the Federal Trade Commission on the ground that only by merger could the smaller car manufacturers attempt to compete effectively with the larger units. In fact, General Motors, Ford and Chrysler now constitute the Big Three

General Motors Replies...

On behalf of General Motors, its president, Harlow H. Curtice, said: "We will co-operate fully."

To complaints, cited by Senator O'Mahoney, "that General Motors and other automobile producers are forcing dealers to purchase unwanted cars," Mr. Curtice replied:

"General Motors is currently in short supply of cars and has been all of this year."

out of the surviving six, and some there are who tell us that many casualties, not only among manufacturers but among the dealers, will have to be counted before concentration comes to an end. Yet there is no law affirmatively authorizing any federal official to approve mergers.

General Motors alone produces more passenger cars than the rest of the industry combined. It is also by far the most important producer of automotive parts and accessories in the United States. It is a principal producer of trucks, buses, diesel engines and locomotives. It is a major factor in the manufacture of refrigerators, stoves, air-conditioning equipment and a wide range of other products. It is also the largest supplier of goods procured by the United States Government.

Many factors in our business system contribute to, and in certain cases even necessitate or make inevitable, large size or a high degree of concentration. We must understand how these factors operate in the case of specific companies and specific business situations if we are to deal intelligently and realistically with the fundamental purpose of the antitrust laws to assure a healthy climate in which business may grow and prosper in the interest of the people.

In the course of its investigation to date, the Subcommittee staff has studied a number of complaints that General Motors and other automobile producers are forcing dealers to purchase unwanted cars, parts and accessories, and exercise dictatorial control over the type and size of their establishments, accounting methods, advertising and other business practices. Technically, these dealers are independent business enterprises. It has been charged that, in fact, they are frequently little more than economic vassals who exist at the pleasure of the manufacturers and have little or no independent choice of important business decisions.

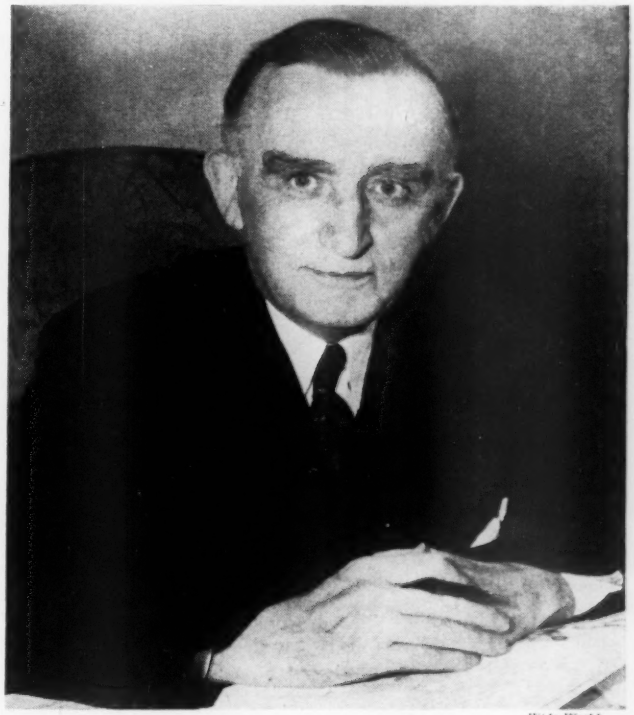
Charges have also been made concerning the purchasing policies of automobile producers and their relations with suppliers. We are interested in learning whether the relative bargaining power of General Motors and other automobile manufacturers in dealing with most suppliers is so great as to place the latter at an unfair disadvantage.

What Made GM Grow?

It will be important to trace the growth history of General Motors and to learn how and why this tremendous enterprise has reached its present size. We wish to find out historically the relative importance of mergers and acquisitions, vertical integration, banking affiliations, certain trade practices, advertising policies and expenditures, research and development, and other factors which have contributed to the pre-eminent position achieved by this company.

In particular, we are interested in determining: (1) whether or not the present size and scope of General Motors operations are the result primarily of superior efficiency and competitive skill; (2) whether or not the great power associated with its size and scope, however achieved, carries with it the opportunity for abuse; or (3) whether or not without abuse, the very magnitude of the corporation makes competition almost impossible.

We are also anxious to determine whether the present dominant position of General Motors is the result of technological, production, distribution or other factors, required by the economic character of the industry, or is the result of the company's free choice of business policies which are not economically inevitable. This is one of the central issues involved in the relation of the antitrust laws to business size and concentration, as indicated by several court opinions in major antitrust suits brought by the Government.



—Wide World

SENATOR O'MAHONEY: "Automobile manufacturers have been disappearing from the scene"

The activity of this Subcommittee in reviewing the purposes and administration of the antitrust laws goes to the very heart of the preservation of our system of free competitive enterprise.

One of the great challenges of our time is how public authority shall be exercised over the organized industrial society in which we live without destroying economic freedom through too much government.

Another serious question is the extent to which the benefits of efficiency resulting from large size or mass production must be reconciled with our desire to maintain opportunities for individual initiative.

It is not enough to praise the virtues and efficiency of big business or to recognize that the modern world requires large-scale enterprise, and it is not enough to hope that the reaction of large groups in the economy upon one another will inevitably result in a balance which adequately protects the public interest.

At the same time, if the antitrust laws are to be effective, their economic objectives must be clearly articulated and must have some relation to the facts of modern business life. I believe that the forthcoming hearings will provide valuable suggestions and guides to the legislative deliberations of Congress in this field.

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T. L. STURGESS, DEPUTY MINISTER

memo

FROM EAST GERMANY

100 TENSE MILES

BERLIN—"You are now leaving the American sector. 500 meters ahead is the control point."

It's just a simple road sign in English, German and Russian that marks the entrance to the highway that runs westward from Berlin through Communist territory to West Germany. It means that behind you lies that little oasis of freedom, West Berlin—the only bit of free territory for 6,000 miles eastward. Ahead lies 100 miles of oppression.

"U. S. personnel please report here."

You enter a small wooden shack where a 20-year-old military policeman from Brooklyn looks at your travel orders issued by the U. S. Army in West Berlin. The papers, in English and Russian, give your name and passport number, and the make and license number of your car.

The soldier gives you instructions on what to do and what not to do during those 100 miles. You must not take pictures. You must not stop, except at control points or for a real emergency. You are handed two sheets of paper. In case of an accident or breakdown, you are to write your location and what you think might be wrong with the car. Then, you are to give one paper to the driver of the first car coming along in each direction and ask that the papers be delivered to the MP posts at the ends of the Soviet zone. You are not to move before a rescue car arrives. All dealings must be with Russians.

The MP checks your spare tire and gasoline, and tells you to obey the speed laws but not to dawdle, for a search party will be sent out at the end of four hours if you haven't checked in. Descriptions of you and the car are radioed ahead to Helmstedt. "Good luck," says the American soldier.

Secret police. You drive about a quarter of a mile into the Soviet zone, past the monument of a Soviet tank, past some red wooden shacks. The Soviet flag flies in the breeze. You also see the black,

(Continued on page 108)

–United Press

WESTWARD THROUGH RED TERRITORY
. . . Tommy guns wait ahead

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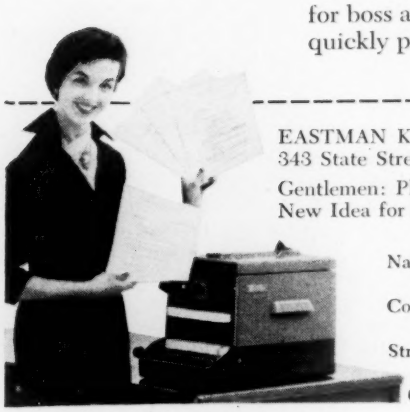

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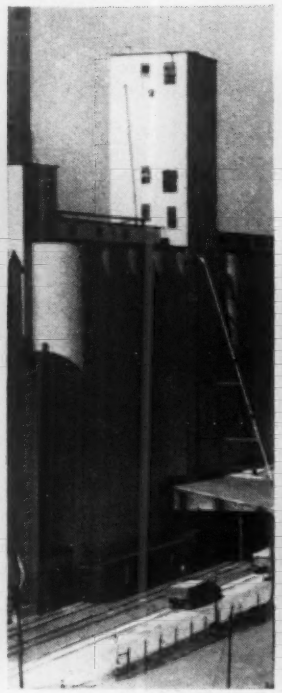

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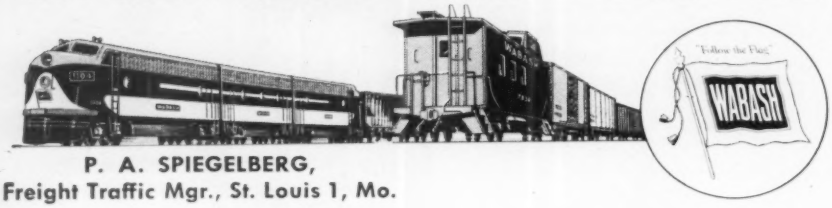

P. A. SPIEGELBERG,
Freight Traffic Mgr., St. Louis 1, Mo.

memo

. . . Bridges are shaky along the Berlin Corridor

red and gold flag of the East German People's Republic. An unsmiling, young Russian soldier with a Tommy gun on his back waves you to a stop. The purple-red symbol on his sloppy, olive-drab uniform proclaims him a member of the MVD—the feared secret police of Russia.

The soldier takes your papers and disappears into a shack. You wait and wait and wonder why you ever thought of driving out of Berlin instead of flying. A Russian officer appears and walks around the car, saying nothing. The MVD soldier returns with your documents and salutes correctly. You are now a guest of the Russians.

The Autobahn is a two-strip dual road, much like a superhighway in the U. S. It's in fair condition, except for bridges which were blown up during the war. The temporary spans made of wood are shaky. Almost every bridge carries a slogan. Some examples: "Friendship with the Soviet Union Means Peace to All Nations"; "Korea's Warning: Fight for Peace."

In the fields ragged women, old men and schoolboys dig potatoes beside horse-drawn wagons. In the whole 100-mile stretch you see only one tractor on the farms. The only people to show emotion as you pass are the children being taken in groups into the fields to dig potatoes. They wave frantically and smile from pale faces.

Refugee footprints. Your car holds up, and at last you are crossing the Elbe River and approaching the border of West Germany at Helmstedt. You stare at the formidable barbed-wire fence stretched across the actual border. Behind it, on the Soviet side, is freshly plowed ground to show the footprints of any fleeing refugees. This ground is smoothed over every day. Behind this is a strip of land 1,500 feet wide. Anyone found there is shot on sight. Behind that is a three-mile strip where only persons with permits are allowed.

A stern-looking Russian stamps your papers and waves you through the red-and-white gate. A hundred yards beyond, the Stars and Stripes streams out over a little MP hut. As you go down the road in Western Germany the first sign you see is a standard German highway marker which means "no speed limit." Literally it says: "travel free." And you like the sound of that. It means you have finished the uneventful but tense journey along the Berlin Corridor through the Iron Curtain.

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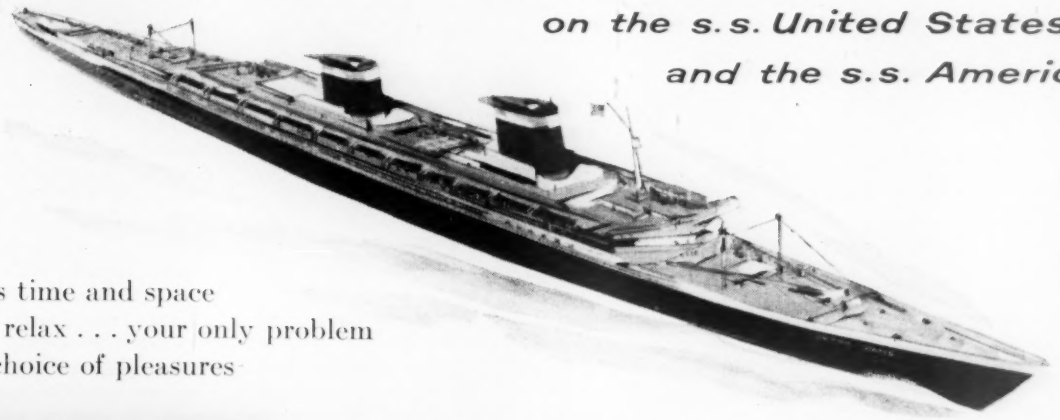

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PLUS & MINUS
Latest Indicators of Business Activity

Industrial production has risen to a record high, both in the U. S. and the rest of the free world.

U. S. factory output climbed to 145 on the indicator in the week ended October 29, up 13 per cent from a year ago, more than 40 per cent above output in the year 1948.

Steel mills, operating at 100 per cent of capacity, produced the largest tonnage of ingots in history.

Auto plants lifted their output to 156,952 cars, as estimated by Ward's Reports, Inc. It was the largest weekly total since July and only 15 per cent below the peak set in April.

U. S. demand continues heavy.

Retail trade at department stores averaged 122 on the indicator in October, 9 per cent above October, 1954, only 2 per cent below the July peak.

Wholesalers reported September sales 13 per cent above a year ago. Gains extended to 16 per cent for home furnishings, 19 for appliances and electrical goods, 53 for metals.

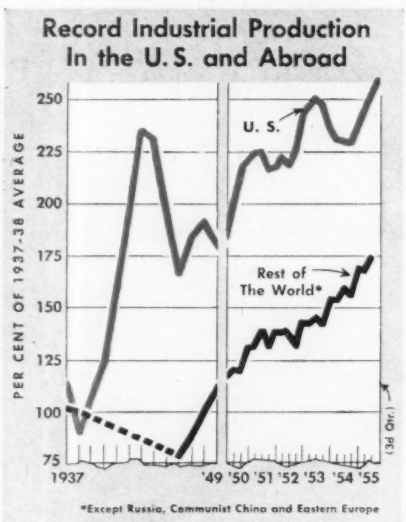
Manufacturers received orders amounting to 28.2 billions in September, almost 5 billions greater than in September, 1954. Unfilled orders mounted to 52.6 billions, up 6 billions since November, 1954.

Inventory of manufacturers grew to 44.6 billions on October 1, up 300 millions in a month.

Plant-and-equipment spending of business seems to be accelerating. Within the last 60 days, at least six major steel companies have announced plans to enlarge their plant capacity. Railroads, short of freight cars, are placing large orders for new ones. Unfilled orders for cars have already risen from 16,886 on June 1 to 52,913 on October 1.

Industrial production abroad, shown in the top chart, has climbed steeply in recent years and is now three-quarters larger than before World War II. The rise has been 9 per cent in the last year, 25 in the last three years.

Europe's gain this last year has rivaled that in the U. S. In the second quarter of 1955, output of Western Europe averaged 9 per cent above the second quarter of 1954. For the first half of 1955, there were gains over the first half of 1954 amounting to 17 per cent for Western Germany and Austria; 11 for France; from 8 to 10 for Belgium, Greece and the Netherlands; 7 for Italy; 6 for Sweden. Britain's second-quarter output was 5 per cent above the second quarter of 1954.



Source: United Nations and Federal Reserve Board
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Forces at work are fundamentally the same in most countries.

Need for raw materials and fuels is immense. Excluding the U. S., the free world has more than doubled its steel output since 1948. Its aluminum output is up 120 per cent. Cement is up 135; crude petroleum, 116; electricity, 78.

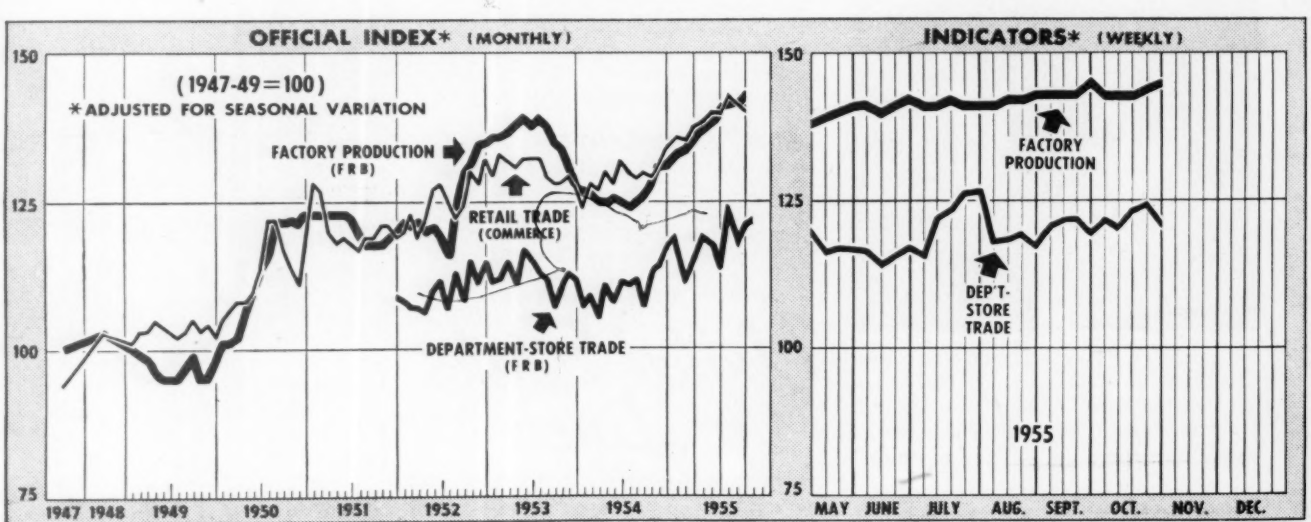
Wage costs are rising in many countries. In the last year, hourly earnings in manufacturing have increased 7 per cent in France and Sweden, 6 in Western Germany and the Netherlands. The gain has been 5 per cent in the U. S.

Living costs are moving higher in some countries, but remain stable in others. In Europe, the trend has been upward for Denmark, Germany, Italy, Spain, Sweden, Britain.

Unemployment has dwindled almost to the vanishing point in Britain, Switzerland, Norway, Japan. Most everywhere, it is at or near its postwar low.

Restraints against inflation have been set up by governments and central banks all over the world. The central banks in Canada and New Zealand increased their discount rates in October, following other increases earlier this year. The U. S., Britain, Germany, France, Belgium and other countries have also increased their rates this year. In Britain and elsewhere, taxes have been increased, Government spending reduced.

Output gains will be smaller from now on as inflation controls bite deeper and as output approaches capacity limits. Business trends abroad, as well as in the U. S., will need to be watched in the future.



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15 Million Members: How Will They Vote?

Basic differences between the CIO and AFL are rising now to plague efforts for a unified political campaign in '56.

When the two groups merge soon into one labor organization with 15 million members, potential political influence will be huge.

But conflicts lie ahead over methods, issues, philosophies. Only this is sure: A Democrat will be backed for the Presidency.

A new and important test of union labor's political strength is developing in this country.

AFL and CIO, merging into a single labor organization next month, will go into the 1956 political campaigns with a combined membership of about 15 million.

Together, the AFL-CIO will have more money to spend than any labor group ever had before in election campaigns.

Politically, this could mean a tremendous amount of power in the hands of the merged organization.

Actually, it is open to serious question whether the AFL and CIO political groups can get together in a really effective campaign in 1956. Wide differences remain in the two organizations—on issues, on political philosophies and on methods. It may take years to develop a united political organization.

Already, signs of discord are developing, even before the campaign gets under way.

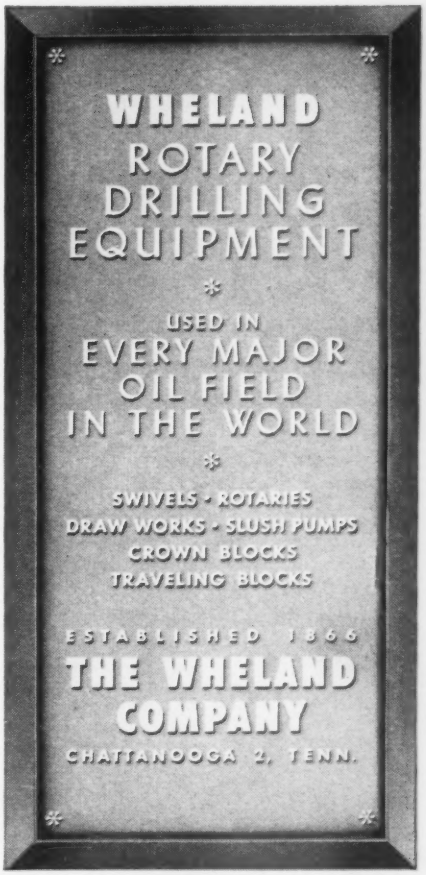
This much, however, is quite clear:

- The Democratic nominee for President stands to win the support of the combined AFL-CIO in 1956.
- Other candidates, notably those for seats in Congress, will be judged on the positions they have taken on labor issues. But Democrats, by and large, will get the nod.
- The top leadership of AFL-CIO, speaking in the name of 15 million members, will have a stronger voice in nominating conventions than in the past.
- Union leaders, if past elections are any indication, will not be able to get

(Continued on page 114)

–United Press

AFL-CIO CHIEFS MEANY AND REUTHER
Democrats, by and large, will get the nod



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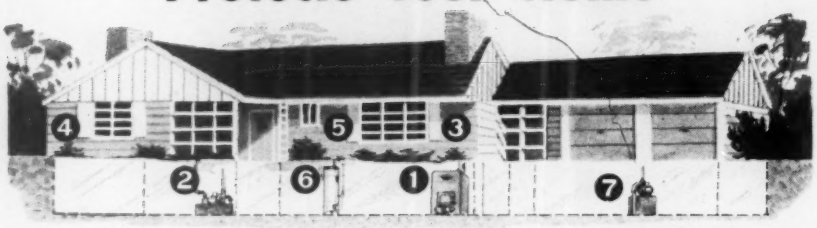

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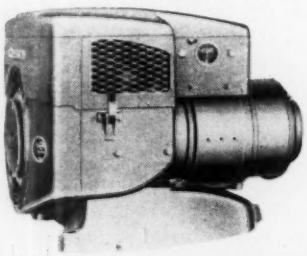

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. . . Which kind of politics now—AFL's, or CIO's?

all of their members to vote the way the unions tell them to vote.

Choosing a leader to head up the political-action committee for AFL-CIO, as a matter of fact, has proven to be a serious problem.

At first, AFL officials thought that they had an agreement with CIO leaders to name James L. McDevitt as director of the political committee. Mr. McDevitt has been head of the AFL Labor's League for Political Education.

A hitch developed, however. Some officials in the CIO urged that Jack Kroll, head of CIO's Political Action Committee, be made cochairman with Mr. McDevitt. But objections were raised that

—Yoes in the San Diego Union

"TO BE RECKONED WITH"
. . . if the members go along

this would result in a "split personality" for the political committee.

A compromise then was proposed, under which the two officials would be cochairmen until after the 1956 election. At this time Mr. Kroll would retire, leaving Mr. McDevitt as full chairman. Mr. Kroll is 70 years old.

For 1956, in any event, it appears that the merged committee will have trouble trying to work out a unified program. Methods of the AFL differed considerably from those practiced by CIO in the political field. CIO formed its Political Action Committee, or PAC, in 1943, but AFL held off until 1947.

More moderate approach? Even after getting into politics, the AFL top command kept a tighter rein over its political committee than did CIO leaders. AFL officials in the past have objected to

(Continued on page 116)

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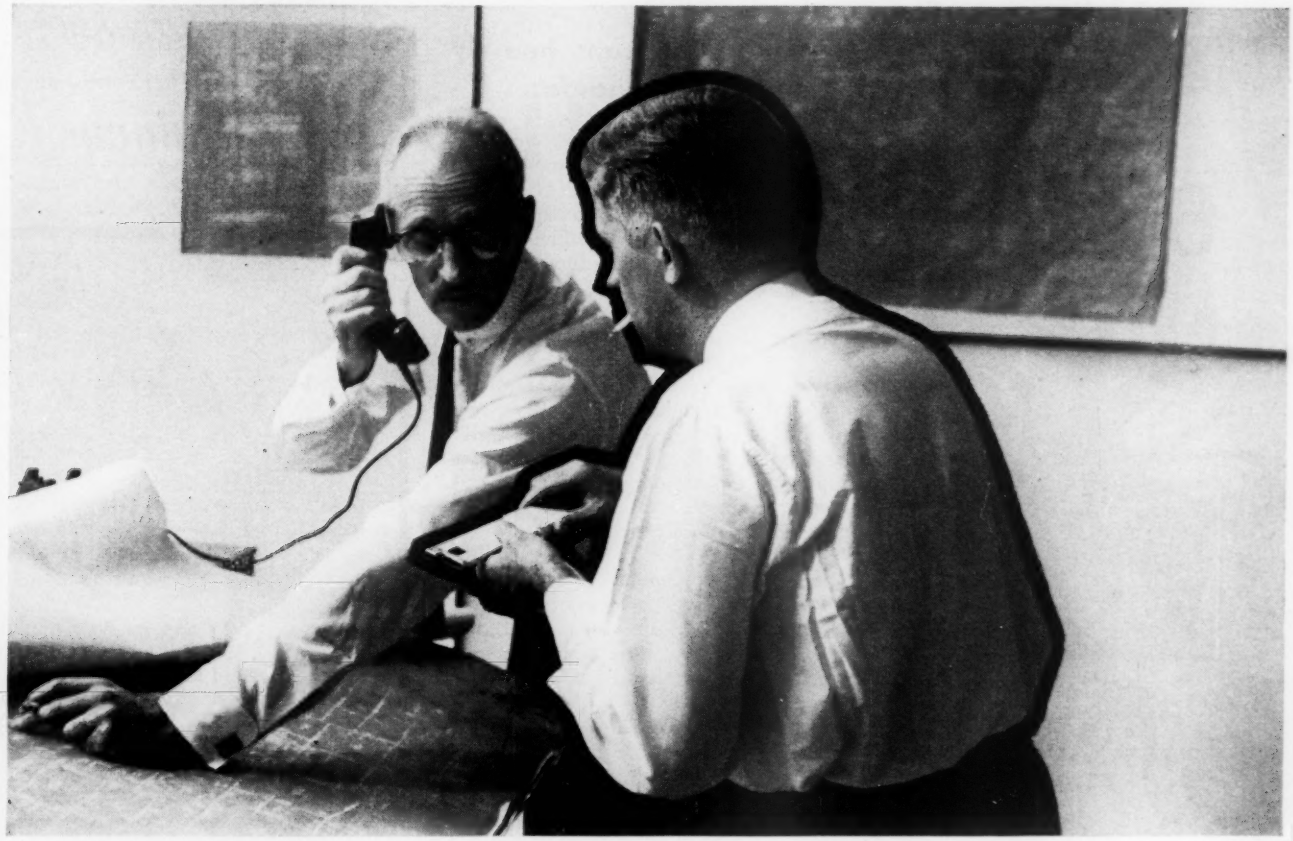

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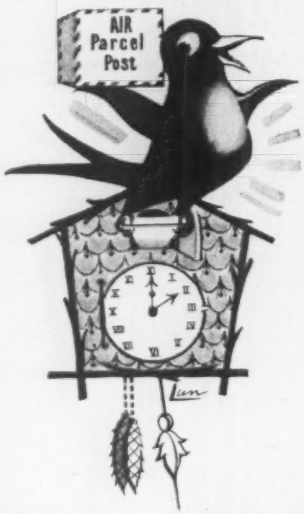

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. . . Labor still leans heavily to Democratic candidates

some of the methods used by the CIO group in political campaigns.

The CIO, according to the AFL view, too often tied itself directly to the Democratic Party—although CIO officials deny this. The AFL policy over the years has been to endorse members of Congress who voted with labor on key issues, and to oppose those who voted against the union position.

After years of not getting into the presidential campaigns, the AFL's convention in 1952 voted to endorse Adlai Stevenson, but again insisted that AFL would support Democrats or Republicans for other offices on the basis of the candidate's record on labor issues.

The CIO, on the other hand, was closely tied to the Democratic Party from CIO's birth in 1935. Occasionally, CIO has endorsed a Republican candidate here or there, for Congress or for a local office, but its main efforts have been put behind the Democrats.

In the 1950 campaign, it now appears, the Democratic candidate for the Presidency will get the endorsement of the merged AFL-CIO. AFL officials show no signs of swinging over to the Republican column.

In congressional races, too, the Democratic nominees are likely to get the union support in most cases.

Individual leaders of some AFL unions, in the past, have backed Republican nominees for the White House.

Some AFL support for Chief Justice Earl Warren would arise, insiders say, if the Chief Justice should reverse his stand and decide to run for President on the Republican ticket. But, even if that happened, admittedly a most remote possibility, the insiders predict that the AFL-CIO would still vote to endorse the Democratic nominee.

CIO leaders are split, at present, on the various possible candidates in the Democratic Party. Walter Reuther, head of CIO and of the Auto Union, is believed to be a Stevenson backer, while some of the other union heads are thought to favor New York's Governor Averell Harriman or Tennessee's Senator Estes Kefauver, as they did at the 1952 Convention.

When the Democratic race gets closer to the Convention, some of the AFL leaders are expected to take sides. But George Meany, AFL president, who will head the new federation, is avoiding now any indication of his preference.

Labor's influence at the Democratic Convention is expected to be greater than in the past since Mr. Meany will

(Continued on page 117)

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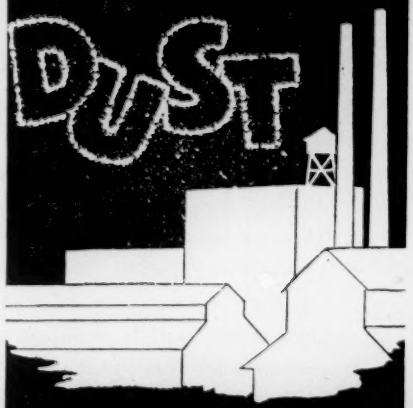

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. . . Union members don't always vote as they're told

act as spokesman for 15 million union members. There will be no question then of a split between the AFL and CIO.

Most of the AFL-CIO pressure at the party conventions will be exerted on the Democrats. But the union officials will expect an opportunity to give their views to the Republican Convention, too, through appearance at committee sessions.

What happens in the election, however, will depend somewhat on how the 15 million unionists follow the advice given by their leaders. AFL-CIO officials will try to do better than in past elections, when there were signs that many union members voted contrary to the leaders' recommendations.

More Workers Reject Unions

A trend against unions is showing up in the employe elections conducted by the National Labor Relations Board.

The latest report of NLRB, covering the third quarter of 1955, discloses this situation:

- The vote against unions is getting larger in the bargaining elections. Unions are losing a higher percentage of the elections than they did in the past, and the proportion of workers voting anti-union is rising.
- The opposition to unions shows up, too, in the elections to decertify unions, to take away the bargaining rights for a particular plant or shop. The antiunion vote here is increasing.

Bargaining elections during the July-September period this year went against the unions 33 per cent of the time. This compares with a no-union vote in 26 per cent of the polls in fiscal 1950. During 1952, just before the Republican Administration took over, unions lost 28 per cent of the elections.

The number of votes cast against unions showed a sharper rise. In 1950, NLRB reported that 17 per cent of the workers voted antiunion. By 1952, the figure was up to 25 per cent, and now it has risen to 31 per cent.

When workers in a shop want to get rid of their union, they can obtain "decertification" elections. In the latest quarter, 38 of these elections were held, with 2,237 workers voting. The unions lost their bargaining rights in 28 cases, or 74 per cent. In 1950, unions lost in 67 per cent of these elections, while in 1952 they lost in 73 per cent.

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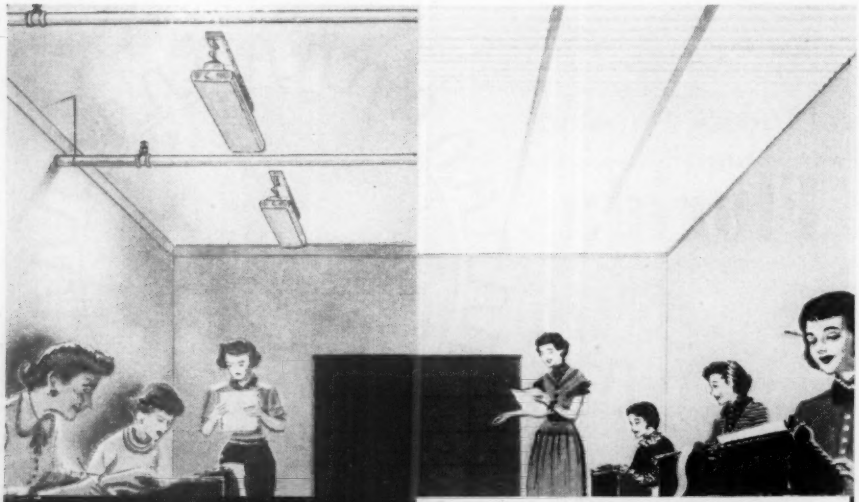

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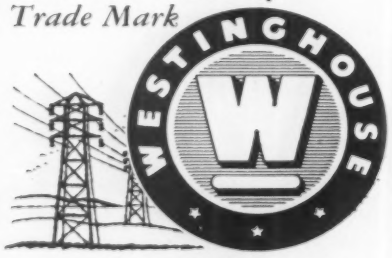

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S. T. CROSSLAND
Vice President & Treasurer

October 28, 1955

NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN** collect cash payments from the Government on ***oranges and grapefruit*** that you ship to some countries. The Department of Agriculture announces a flat rate of 50 cents a box for fresh oranges and grapefruit; payments also will be made on the processed fruits. Eligible areas are the principal countries of Western Europe, except the United Kingdom and citrus-producing countries.

* * *

☑ **YOU CAN** soon get from your tax collector copies of the revised ***income tax form*** for corporations. The Internal Revenue Service begins distributing this new form 1120.

* * *

☑ **YOU CAN,** as a manufacturer, perhaps buy more ***aluminum*** for civilian production in the first quarter of 1956 than in the present quarter. The Business and Defense Services Administration reduces by 2 million pounds the amount to be set aside, in the January-March period, for defense orders and for needs of the Atomic Energy Commission.

* * *

☒ **YOU CANNOT** safely tell your employes that they will have a shorter work week with reduced earnings if a union wins a ***collective-bargaining election.*** The National Labor Relations Board finds that an employer violated the Taft-Hartley Act by making such a statement during an election campaign.

* * *

☒ **YOU CANNOT** avoid paying a ***transportation tax*** on a bus ticket for travel in Canada that you buy aboard a Canadian-bound ship that is in U. S. waters. The Internal Revenue Service says this tax must be collected on tickets sold on inland waters, such as lakes and rivers, in the U. S.

* * *

☒ **YOU CANNOT,** as an ***automobile dealer,*** legally get your manufacturer to make an agreement to eliminate all other franchised agencies in your area. A federal district court holds that an agreement of this kind is an unlawful restraint of commerce entitling the ex-

excluded competitors to treble damages under the Sherman Act.

* * *

☒ **YOU CANNOT** get a court to order a refund of money that you paid for drugs where the Government seeks an injunction against the drug seller under the ***Food and Drug Act.*** A federal district court rules that it does not have power to order repayment in a case of this kind.

* * *

☒ **YOU CANNOT** look for the Government to establish ***import quotas*** for tung oil brought into this country. The White House staff at Denver announces that the President will not ask the Tariff Commission to investigate the advisability of imposing such quotas during the marketing year that began November 1.

* * *

☒ **YOU CANNOT** hope to get the Labor Board to make a union stop its harassing tactics, such as slowdowns of work and partial strikes, aimed at forcing you to make concessions during ***contract negotiations.*** A federal court of appeals says that the NLRB cannot forbid such activities on the part of a union as unlawful refusal to bargain.

* * *

☒ **YOU CANNOT** expect the Labor Board to throw out the results of a ***plant election*** merely because employes who had voted remained at the polls and mingled with those who had yet to vote. NLRB finds that this was not cause, under the Taft-Hartley law, to invalidate an election.

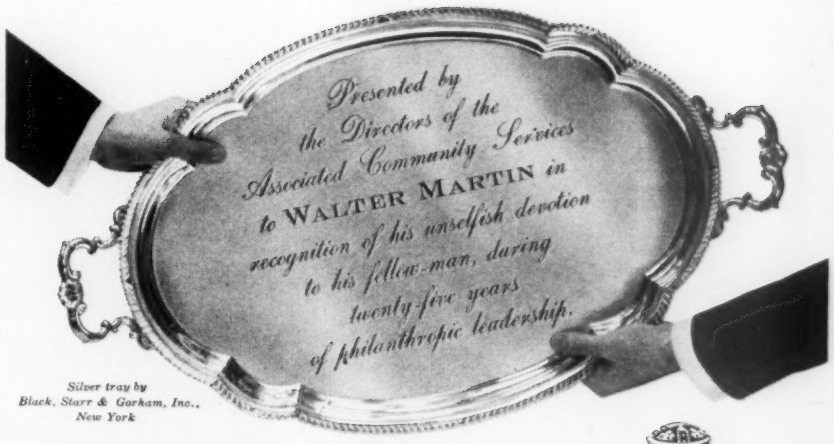
* * *

☒ **YOU CANNOT,** as a ***cigar*** manufacturer or importer, avoid paying an excise tax on cigars that are used as salesmen's samples. The Internal Revenue Service rules that the same rate of tax must be paid on these cigars as on those that are held for sale.

* * *

☒ **YOU CANNOT** import ***sugar*** into the U. S. from Hawaii without obtaining a certificate from the Department of Agriculture. The Department orders this procedure until January 1 in order to prevent entries of sugar in excess of the quota. The new order applies specifically to raw sugar, as certification already was required for other Hawaiian sugar.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*



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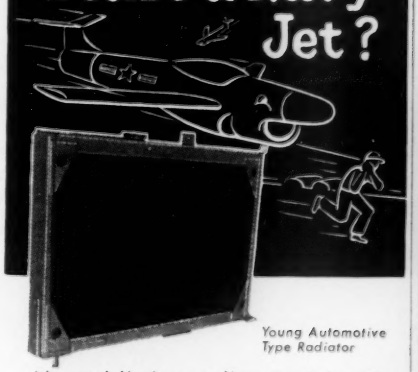

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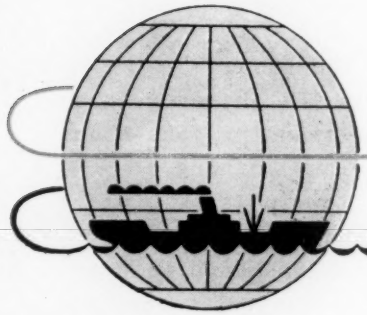

Business Around the World

HELSINKI • STOCKHOLM

›› Finland, riding its biggest boom, is uneasy about the Geneva Conference.

The Finns fear that the Foreign Ministers may agree to step up trade between the Soviet bloc and the West. Once the wraps are taken off East-West trade, Finland will feel a chill blast on its economy. Here's why:

Soviet bloc, as of now, is the only possible export market for important Finnish industries, notably shipbuilding and certain types of machinery.

These metalworking industries were expanded after the war to provide reparations demanded by Russia. Costs were more or less ignored during this reparations period. Coal, steel had to be imported. Wages have climbed until they are among the highest in Europe. So, selling prices are high, too.

Soviet buyers, nevertheless, have been glad to get these Finnish ships and machinery in bilateral deals. But Westerners find Finnish prices high. Germans, British, Danes are able to build ships for less than the Finns do.

As a result, the Finns are vulnerable to any change in Soviet buying.

If East-West trade opens up, and Moscow finds it can buy most any kind of ship or machinery in Western Europe, the Finns stand to lose a lot of business.

›› Solution, of course, is to make Finnish metalworking industries really competitive. This is easier said than done.

Wage cuts can be ruled out. Wage raises are much more likely.

Unemployment is very low. Production has never been higher. Foreign trade is at peak levels. Consumer purchasing power is quite large.

Checking inflation is a major operation. There are monetary and credit controls, blocked bank accounts, import licenses and still other restraints.

It's not easy, in this situation, to cut costs.

›› Key inflation control is on prices of staple foods. It operates this way:

Wages are tied to cost-of-living index. Farm subsidies are supposed to keep the cost-of-living index under control. Farm income, in turn, is tied to the movement of wages. It's all very neat--but not foolproof.

For instance: Drought last summer forced food prices up. Unions now demand higher wages--and oppose any automatic pay raise for farmers.

But the Government, a farmer-labor coalition, has to please both groups to stay in office. Result: more subsidies, growing Government deficits.

›› The Finns are in a mood to splurge on imports, especially from the West. They'd like to buy more U.S. and Western European cars. In 1952, Finland received 93 per cent of her auto imports from the West. But now, with one fourth of her trade tied to the Soviet bloc by bilateral deals and with a shortage of Western

(over)

currencies, 58 per cent of auto imports have to come from the East.

A small Russian car, the Moskvitch, and East Germany's IFA, however, are notoriously poor in quality. So much so that Finns have a standing joke about the latter: "The IFA is for eight people: four inside and four pushing."

U.S. cars are scarce imports. Finns manage to buy a few in Israel, where some are assembled, in exchange for Finnish newsprint and lumber.

It's a roundabout way of getting an American car, but Finns have to use their ingenuity nowadays. It's the only way they can live, situated as they are.

›› In Stockholm, there's not much interest in Soviet-bloc trade today.

Trade with the Soviet bloc now is only 4 per cent of the Swedish total.

Swedish exporters no longer go after Eastern markets. They can't be counted on. Doing business with Moscow is especially unsatisfactory. All contracts are subject to long delays, interminable haggling over price and quality. No sales or service organization can be set up by Swedes behind the Iron Curtain, either.

Now, Iron-Curtain buyers in Sweden are chiefly interested in buying food. Swedish wheat goes to Hungary and Poland. Fish is sold to Czechoslovakia and East Germany. Butter is going to these two countries and Russia.

But iron ore and machinery sales to the Soviet bloc have declined.

Swedish purchases from the East are mainly: oil from Russia and Rumania; coal from Poland; chrome, manganese, asbestos from Russia; fodder and chemicals from East Germany. More oil imports are wanted, but Moscow isn't making any new offers of oil. Swedes think China's oil needs are cutting into Soviet surpluses.

›› Inflation concerns Stockholm much more than East-West trade these days.

Swedish wages, expected to rise about 3 per cent this year, have in fact gone up around 8 per cent in yearly wage agreements negotiated early in '55.

Easy-credit policy, which has nurtured Sweden's welfare state for years, has gone awry. Credit has had to be tightened in some old-fashioned ways.

Swedish banks, after some hesitation, did start cutting loans, but with results the planners hadn't planned on. Housing programs were being upset just when Sweden needed many more units. So housing credit was eased again.

Car-buying spree, officials assumed, could be brought under control easily by a 10 per cent tax on auto sales. This hasn't worked out, either. New car registrations are up. Car imports rose a third early this year.

Odds are that the well-disciplined Swedes will not really let the economy get badly out of kilter. But things have not gone quite according to plan.

›› Swedish consumers, with money to spend, are pushing imports up.

German cars--especially the Volkswagen--and German textiles are selling like hot cakes. British cars have lost ground steadily this year. U.S. cars, dominant in Sweden before the war, have been priced out by competition.

American household appliances, however, are doing well in Sweden. So are luxury goods from several countries, including silks and shoes from Italy.

›› Sweden, like Finland governed by a farmer-labor coalition, is now in this spot: Higher farm subsidies are expected, forcing food prices up. Higher wages will then follow. Industry, with full order books, will not argue very long about wages. Lower income taxes, at same time, are promised by the politicians.

How you add these items up and stop inflation remains to be demonstrated.

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Interview with HUGH GAITSKELL
A Leader of British Labor Party

WHAT SOCIALISTS PLAN NEXT

Are Socialists changing their ways?

In Britain, the Labor Party is revamping its strategy to try for another comeback.

The new program now taking shape can have a direct bearing on the U.S. and on British-American ties in world affairs.

Here a prominent Socialist looks ahead—

- **At public ownership of business.**
- **At government planning and controls.**
- **At future relations with Red China.**
- **At Socialism and Communism.**

This frank discussion of what the Socialists plan comes from Hugh Gaitskell, regarded as No. 1 choice to succeed Clement Attlee as Leader of Britain's Labor Party.

Mr. Gaitskell is a "moderate" among the British Socialists. As Mr. Attlee's successor, he would be in line for Prime Minister of Great Britain should the Labor Party return to power.

Mr. Gaitskell was interviewed in London by A. J. Meyers, Regional Editor in Britain for *U.S. News & World Report*.

At LONDON

Q Mr. Gaitskell, it looks as though the British are turning away from Socialism. In the last two elections they have rejected the Labor Party. Does this mean that the Socialists now have to change their doctrines a little in order to reattract the voters?

A If I may say so, that's a very superficial view of the situation.

If you take the last two elections, which we lost: In the first one we got the highest vote we've ever had in our history, more than the Conservatives got, although we lost the election in terms of numbers of seats. What happened was that more Liberal voters who couldn't vote any longer for Liberal candidates voted Conservative than voted Labor.

At the last election, undoubtedly the Labor vote dropped, but so did the Conservative vote. I don't think one can explain the change there—which, in terms of seats, was a very small defeat—as a matter of the voters turning away from Socialism.

I think the main reason for our defeat was, first of all, the prosperous-looking condition of the country. As we now know, it isn't quite as prosperous as it seemed at the time.

Secondly, undoubtedly our organization was in poor shape. Thirdly, the divisions inside the Labor Party did us harm.

Finally, I would concede this: I think that we do need to look at our policy and try and express our aims and our ideals and the ways of achieving them in terms which are more up to date and more relevant to the ordinary voter today.

Q Isn't it true that the proportion of Labor votes to Conservative votes has gone down in the last three elections?

A Well, what has fallen very badly is the Liberal share of the total, and the Conservatives have gained a lot of that. At the last election, of course, there was a slight swing towards them. I don't think you can draw enormously important deductions from that for the reasons that I've already given.

Q A lot of people are saying that the Labor Party, in order to regain its position, has to adopt policies which appeal to people not only in times of crisis but also in ordinary times. Do you agree with that?

A There is something in that. Perhaps it was one of our weaknesses that we thought the election would be fought under crisis conditions. And, of course, it wasn't. Mind you, if it had been fought in October instead of May, maybe we'd have been right after all.

Q The Manchester Guardian recently asked whether the Labor Party, as a Socialist party, will survive this century. What does it have to do to survive as a Socialist party?

A The ideals of Socialism will survive.

Q What are they?

A Social justice, economic security and sufficient government ownership, intervention and control over industry to give us these things and the highest possible increase in productivity. All of this, of course, in the framework of a democracy and not a dictatorship. Now those are our ideals and we shall stand by them.

Q Isn't the Labor Party at the crossroads? Isn't what it does in the immediate future going to decide whether it is to come back into favor with the British people, or whether it is to suffer the decline that the Liberal Party suffered?

Q I would make it more precise by saying this: If the Labor Party were to refuse to overhaul its organization, were to refuse to review its policy, if it were to do nothing but repeat out-of-date slogans, it would get more and more out of touch with the electorate. I don't think there is any danger of our doing that.

Certainly, there's a problem. Because we are a party of

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More Government Ownership . . . Tighter Controls for Business . . . Less Army Service . . . Deals With Soviet

HUGH GAITSKELL, 49, came out of a classroom to rise to high position in the British Labor Party. Last month he strengthened his claim to the title of "crown prince" of British Socialism by trouncing "left-winger" Aneurin Bevan in a contest for party treasurer.

Mr. Gaitskell won scholastic honors at Oxford, taught economics at London University. He was one of the top planners of Britain's economic-warfare policy during World War II. He is an able orator and a skillful debater in the give-and-take of British politicking.

First elected to Parliament in 1945, Mr. Gaitskell climbed rapidly in party ranks, soon achieved Cabinet status. He was Chancellor of the Exchequer—keeper of the nation's purse strings—in the Labor Government that was swept out of power by the Conservatives in 1951.

idealists we sometimes emphasize the ultimate ideals more than the immediate measures. We've always had in our 50 years' existence two schools of thought: those concerned with ultimate objectives and those interested in immediate reforms. There has to be a balance. If you offer the electorate nothing but, as it were, "pie in the sky," they lose interest after a bit. But, I repeat, there's no likelihood of that happening.

Q Isn't it true that in the last few years the Labor Party hasn't done much more than offer pie in the sky?

A No, not at all in terms of the actual program in the election. I would venture to say that ours was in fact better than the Government's—it certainly wasn't pie in the sky.

Q Did you lay heavy stress on further nationalization of industry in this year's election?

A I should not have said that. We have never, as a party, proposed wholesale nationalization. Our proposals have always been about specified industries.

We had a substantial program in 1945 on public ownership in a number of industries which were in a bad way for one reason or another. We carried our program out. The Tories have set it back on steel and road haulage, but they have accepted the rest of it.

We proposed this time to stick to our guns on road haulage and steel, and we added not complete nationalization but some form of public ownership of the chemical industry, which is a pretty tight monopoly here, and something of the same kind for the machine-tool industry, which the Anglo-American Productivity Report declared to be extremely inefficient. That's all.

Oh, I should have mentioned water supply. We said that should be nationalized. I hope you don't think that a very sinister suggestion.

Q If you were in power now would you renationalize steel?

A Yes. We would take it back into public ownership.

Q Would you nationalize the chemical industry?

A No, not the whole of it. We didn't commit ourselves in detail on that, but we said we would have a certain degree of public ownership there, with the amount to be decided later on. The principal argument there is, as I say, to control monopoly.

Q And you mentioned the machine-tool industry—would you nationalize that?

A Not the whole of it. We said some degree of public ownership was desirable. We believe the present structure of the industry is out of date. A certain degree of nationalization is wanted. We might set up a kind of Government pilot plant, you see, and set standards in the industry. All that would need a good deal more inquiry.

Q In order to revamp their policies to attract the voter, in which direction do you think the Socialists must go now, in terms of "right" and "left," in terms of more or less Socialism?

A The terms "right" and "left" seldom mean very much; it's better to be more precise. I think that the Labor Party has got to look at its policy and produce something that is realistic and appeals to people. It will always stand for fair shares and social equality; it will stand against the aristocratic class structure of Great Britain, which Americans traditionally ought to be against, as the early settlers were. They wanted to get away from the same thing we're against; that is, the social inequalities that exist in this country.

We'll always be in favor of full employment and we are prepared to use the powers of the state to achieve this objective. As to immediate objectives, we've certainly got to have a look at national insurance; there is a very widespread

(Continued on next page)

. . . "Nationalized electricity industry has made a profit"

demand in this country for more security in old age. That is difficult to provide for by simply raising the national pension.

One possible way would be to extend the supplementary contributing schemes that exist in a number of industries today over the whole field. That's a thing which has got to be worked out a good deal further.

Q What about the question of housing?

A We're probably in for some fairly big clashes with the Government there. We take the view that in this country, at any rate, housing is not a thing that can be left just to the individual, because the conditions under which children are brought up affect their whole lives. We think that it is the job of the Government and the local authorities, by and large, to take the responsibility of seeing that adequate housing at reasonable rents is provided. And we are prepared to carry on the subsidy policy that we've had up to now.

We will certainly maintain rent controls. The Tories, of course, are threatening to cut them altogether. In that, we propose to go on providing help for the poor and the weak and the needy at the expense of those who are better off.

Q All political parties claim to be in favor of the poor and needy, don't they?

A How can the Tories say that if, in fact, they're in process —they have been in the last few years—of redistributing income in favor of the better off?

NATIONALIZATION'S RECORD—

Q Do you think the industries that the Labor Party nationalized have set a very good record so far? Isn't their record one of the things that you are up against in trying to convince the people that further Socialism is the answer to a lot of problems?

A Those industries didn't have a very good record before nationalization. But I wouldn't accept what you say about them since nationalization.

The two, I suppose, most criticized industries are coal and the railways. Well, the fact remains that the coal industry is producing not far short of 40 million tons of coal a year more than it was before nationalization. Investment is taking place in the industry on a scale that couldn't conceivably have taken place under private enterprise. We have a tremendous amount of arrears to catch up there.

We have a too-low standard of technical competence because the coal industry was in such a bad way before nationalization that nobody wanted to go into it.

As to the railways, I could make out a pretty good case on technical grounds for the achievements of the nationalized industry, but it would have to be in terms which aren't very easy to put across. For instance, one of the indices of efficiency in the railways is the net ton-miles per engine-hour. Well, that's a difficult conception. You need a pencil and paper to work it out. In fact, it has gone up steadily under nationalization. The standardization program so far as locomotives are concerned has been extremely well carried out, and the streamlining of traffic on different lines and so on has also been carried through.

But I don't deny for one minute that there have been disappointments. There has been a good deal of labor trouble on the railways. One of the difficulties there undoubtedly is that the rise in freights and fares has been far less than the general rise in the prices they have to pay for materials and in wages, which has squeezed the industry tremendously. It has made it extremely hard to make a profit and caused difficulty with the unions. If the railways had been free to raise their freights and fares, they wouldn't be in so much trouble. Except, one must add, that in many countries in the world, as you know, the railways are in difficulties because they face growing competition from airlines and trucks. In a good many countries they are heavily subsidized. They have to be. So I don't think honestly you could judge the nationalized railways too adversely.

On the other side, the nationalized electricity industry has just made an 18-million-pound [50.4-million-dollar] profit, you know, and it has increased enormously the output of electricity. It has carried through a great deal of rural electrification, and increased the efficiency of fuel burning very substantially. Then there's our atomic-energy program, which you know is a nationalized concern, and which I think has pushed along extremely well in the industrial field, particularly.

There's also the nationalized gas industry, which again is operating at a profit.

And our airways are, as you know, doing pretty well. There are not many airways making a profit without subsidies, as ours are, in spite of all the difficulties with the Comet [jet airliner]. So the line that nationalization has failed just doesn't stand up to examination. What is true is that some people expected—though they should not have done so—that nationalizing half a dozen industries was going to produce a Utopia in a few years. They have been disillusioned. That's true. But that's, if I may say so, either their fault for thinking that or other people's fault for making them think that.

Q Is it true that, particularly in coal and the railways, labor relations since nationalization have been pretty bad?

A I wouldn't say in coal.

Q At least, nationalization didn't automatically mean that the workers were going to be happier working for the Government than they were working for private owners, did it?

A Well, it certainly reduced the number of strikes that we have had, even in coal. I would say from my own experience the relations between management and miners are a very great deal better than they used to be. What is true is that we're still short of coal and that the increase in output has not been sufficient to keep pace with the very sharp rise in consumption.

MEASURING STRIKE LOSSES—

Q Isn't it true that the continuation of serious strikes in coal and on the railways is partly attributable to the fact that the workers in these industries expected a lot more from Government ownership than they got?

A It's due in coal, at any rate, to the nature of the industry, which is one—in Britain, at least—which is always likely to give rise to disputes. In the case of the railways, I think the major trouble is, as I have said, that fares and freights are kept down by the tribunal which settles these things, while the general level of costs has been rising.

If I may say so, as far as industrial relations in general in this country are concerned, it cannot be too strongly emphasized that our losses and strikes proportionately are much less than those in the United States. I hope you tell your readers that.

Q Do the workers in these socialized industries really have the feeling that the industries belong to them?

(Continued on page 128)

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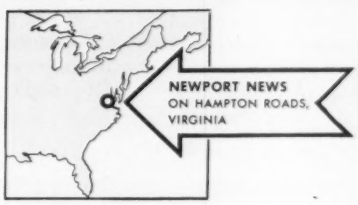

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. . . "We think industries should be owned by the community"

A Not as much as we would like, and you've got a real problem because we don't believe in syndicalism. We think the industry should be owned by the community, not by the group of workers in the industry. And that is something we must be firm about. But we do want to see growing a sense of partnership. In coal it's better than it was. In railways it has a long way to go. But that is a thing you can't legislate about. That will depend on the unions and the management in those industries. And you must give them a bit of time.

Q Mr. Gaitskell, is Socialism, as expounded by the Labor Party in Britain, closer in ideology to Communism than it is to the principle of free enterprise, which operates in the United States?

A That's just absolutely wrong. One thing I object to is the appalling confusion—which, I regret to say, does exist in America much more than here—between economic freedom and political freedom.

Now, the really significant thing about Communism, in my opinion, is not state ownership but the political system of dictatorship. I think you know that the Social Democrats are the most bitter enemies of the Communists on that score. And you may also know that the Labor Party has fought unceasingly for 30 years against the Communists. We have a vast list of banned Communist-front organizations which we don't allow any of our members to associate with at all, and we are in the forefront of opposition to them.

But those who say—and I say this quite deliberately—those who talk as though a belief in state intervention, state enterprise, state control, as though it were Communism are doing the service of democracy no good at all. They are confusing the issue. They are helping the enemy, helping the Communists, by talking in those terms.

Democrats should stand together to defend democracy but recognize that this is quite compatible with different opinions about the role of the state in economic affairs.

We believe, I repeat, in social justice, and we believe that, in order to get that, a certain degree of state intervention is necessary. Indeed, we believe that if we don't move in this direction and work for social justice, we play into the hands of the Communists, who thrive on injustice.

WHAT REDS ARE DOING—

Q The labor unions, of course, are a source of great strength to the Labor Party. Yet aren't there many unions in Britain that are subject to pretty heavy Communist influence?

A Not many, no.

Q Aren't there some key unions that are strongly influenced by the Communists?

A There is only one union that I can think of that is Communist-controlled that's of any importance, and that's the Electrical Trades-Union.

Q I've heard it said here that the Communists have given up completely trying to win seats in Parliament and now are concentrating their efforts on infiltrating the labor unions. Is the Labor Party aware of this problem?

A The Communists, of course, go on trying, and we go on fighting them. But I'm not too worried about that as long as the solid democratic forces inside the Labor movement continue to be aware of the danger and keep on their toes.

Q They are aware of it?

A Yes, they are. You know the trade-union leaders as well as I do, and I think you will agree that they are very much aware of it. I think I should just add this: People here talk about Communism a little loosely. There are, of course, people who, although not Communists, very often may agree with—well, what shall we say?—policies that you might regard as Communist. They hold views on, say, German rearmament very sincerely, and they are no more Communist than you or I am.

I think there's a tendency in America sometimes to think that anybody who isn't absolutely against Socialism is a Communist. I've already told you I think that's a gross error and one that we in the Labor Party, quite frankly, resent.

Of course, infiltration of labor unions has been a Communist tactic for a long time, and I don't want to underestimate that extent to which the Communists in the unions do try and get their way. But when it comes to the crucial decisions in the Trades Union Congress, for instance, I can't remember for many years an occasion when the Communists have won anything. They have some success at times, but, on the whole, in the last resort, the unions remain pretty solidly non-Commmunist.

Q As a leader of the Socialist Party here, are you in favor of greater and greater government control over the economy?

A I am in favor of more control now. I can't tell you what the position will be in 20 or 30 years' time. One of the essential political arguments in democratic countries is over what part the state should play in economic life. We believe it should play a larger part, and the Conservatives believe it should play a smaller part. We shall, so to speak, decide on each occasion what particular advance we think is necessary. That will depend on circumstances at the time. I think at the moment, certainly, a greater degree of state control at certain points in the economy is necessary if we are to avoid economic crisis.

I think certainly the state in this country has got to play a greater part in increasing productivity. I think it's also got to play a large part in modifying inequalities and improving social conditions.

Q How serious in your opinion is the split between the "right" and "left" wings in the Labor Party?

A Not nearly as serious as the Conservative newspapers like to make out that it is. I think it's not unknown in the United States for one side to point at splits in the other It's not unusual in a two-party system for there to be differences of opinion within each party. I believe they exist both in the Republican and the Democratic parties. So there is nothing unusual about our situation at all. There have always been divisions of opinion, but they've been rather more intense in the last few years in the Labor Party than they were before.

I'm quite sure of this, however: The Labor Party certainly will not split, nor will these differences be a serious handicap to us as a Government.

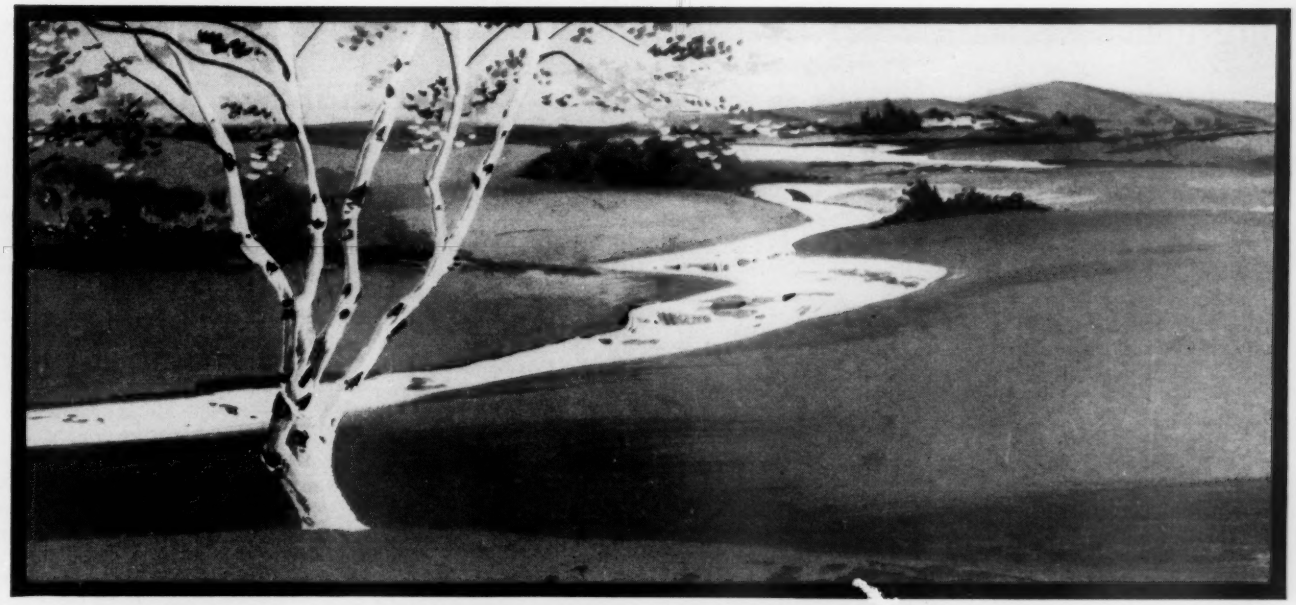
Q Didn't this split contribute seriously to your election defeat this year?

A Oh, I think it was one of the factors, yes.

AHEAD FOR STEEL—

Q To get back to nationalization of industry for a moment: The steel industry has been working rather well since the Conservatives turned it back to private enterprise, hasn't it? It's apparently producing more steel than ever before, and

(Continued on page 130)



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. . . "The U.S. has much more unemployment than we have"

it hasn't had a strike in a long time. Yet you say that the Labor Party would renationalize it—is that right?

A Yes, that is our policy.

Q Isn't it true that it's been doing pretty well since it has been denationalized?

A The steel industry did well when it was threatened with nationalization, and it did even better when it was nationalized and continued to do well when it was denationalized.

Q If it's doing well now, then what's the argument for renationalizing it?

A It will do even better.

Q It seems that every couple of years Britain gets into trouble economically, and she has difficulty paying her way in the world. Can you explain why this country always seems to be in the midst of an economic crisis?

A That's a bit of an exaggeration. I would say that, in the immediate postwar period, one of the difficulties was that the prices of our imports continued to rise, and when they went up particularly sharply that put an extra burden upon us. I would say, secondly, and this still applies, our gold and dollar reserves are still much too low, and therefore any slight adverse movement in our trade with the rest of the world is apt to produce a disproportionately big effect on the value of the pound.

With adequate dollar reserves, nobody would bother much about these relatively small movements. After all, everybody knows that it isn't easy to keep the economy at a dead level all the time, and sometimes it gets a bit inflationary. In our case, when it does, our imports go up and we get into difficulties very quickly. The United States, with its adequate reserves and a very small proportion of foreign trade to home trade, doesn't have to worry about that sort of thing. On top of those difficulties we have the whole of the sterling area to take care of, and if the other countries in the sterling area, apart from ourselves, are getting a bit out of line, well, that is apt to cause trouble. We're much more vulnerable, I think, than most other countries for that reason.

That's only a very superficial answer, and it's not the whole story, but it will give you some idea.

UNIONS' WAGE DEMANDS—

Q There has been criticism of the unions here lately because of their continual wage demands at a time when Britain is trying to keep its production costs down so as to be able to compete in world markets with other manufacturing nations, such as the U. S., Germany and Japan. Do you think this criticism is justified?

A If you have a position of very full employment, as we have, there is a real problem, and not only in our country. It exists in Germany, it exists in France, it exists to some extent in America, as well, and I don't think we can pretend that we in the democracies have yet found the complete answer to this. It's not easy to reconcile this very-full-employment position with no inflationary pressure at all, and undoubtedly this year in Britain the demands for wages have been on a bigger scale.

You can, of course, stand a certain increase in wages without any rise in labor costs as your productivity goes up. This year wage demands have gone rather further. They've gone further, I think, because the Government have allowed a generally inflationary position to develop. Then it becomes extremely hard for the unions to resist. Employers are bidding against each other for the labor. Whatever the unions do, the wage costs tend to go up, and in those circumstances it's very hard to hold down demands for wages. As soon as one union puts in a claim, especially if the employers give way to it, then everybody else does straight away.

The truth is that a completely free economy without any controls, without any understanding between the unions and the Government, is very likely to produce this situation. The United States has much more unemployment than we have, and that acts as a brake. We have relatively little unemployment, and, frankly, no Government that encourages unemployment is likely to survive very long here.

Q What can the Government do about such a situation?

A It can't settle wage disputes directly. There is no simple solution to this. You've got to have an understanding about it with the unions and the employers as to the kind of wage increases that are reasonable. And, of course, you've got to have some understanding, too, about dividends and other income. You can't do it on wages only.

Q Many political writers here use a term called "Butskellism," which seems to mean that your economic philosophy, Mr. Gaitskell, as a former Chancellor of the Exchequer, is no different from that of the present Conservative Chancellor, R. A. Butler. Is there really no difference in economic policy between the Labor and Conservative parties?

A There is a good deal of difference. That term is one that people who have any interest in pretending there's no difference between the parties—Communists, for instance—are fond of using. It's pretty silly. It's true that Mr. Butler at first accepted quite a lot of the central planning machinery and the "Keynesian" approach which we had developed. But there always were big differences, and they've been getting bigger lately.

First of all, I believe in using the budget much more than Mr. Butler does as an instrument of control over the economy. He is relying almost entirely now on monetary control, and I think that's a mistake. And many people—I may say even economists—are coming round to my view now. They weren't saying so a few months ago. What's happened in the last six months is, I think, pretty good proof that I'm right about that. That's the first part.

Secondly, as I told you before, we do believe in limited controls of a more direct kind. Thirdly—and this is the most important point—we have a totally different attitude on the distribution of wealth.

ON FOREIGN POLICY—

Q Is there any great difference in foreign policy between the two parties, particularly as to their attitude toward the United States?

A There are differences on specific issues, but I would say that, in general, the Conservative Party took over Ernest Bevin's foreign policy, the foreign policy of the previous Labor Government. After all, we were the Government when NATO [North Atlantic Treaty Organization] was set up. It was we who started the defense program up again and, despite unpopularity, introduced conscription. There are some differences on colonial policy, where we are a good deal in advance of the Conservatives. We think, for instance, they have very much mishandled the Cyprus situation. We do

(Continued on page 132)

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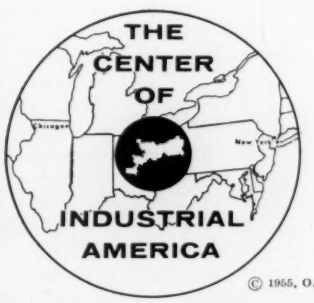

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. . . U.S. tariff policies "make British cynical about America"

believe very genuinely that you've got to hurry on to self-government for the colonies as soon as you can. That's a difference. But, as compared with prewar, differences are much less.

Q Wasn't the Labor Party opposed to the rearming of Germany?

A Well, that was a difference inside the Labor Party, but we finally, by a narrow majority, decided to accept German rearmament and the Paris Agreements in particular. No, it's been a very long time, I think, since we have actually voted against the present Government on foreign policy. Of course, we don't just follow them. There is no bipartisan arrangement, any more than there is opposition for opposition's sake. We make up our minds on each issue. We criticize when we think they are wrong. The fact is that to a large extent they took over the policy we had worked out.

Before the war the Conservative Party here was much more isolationist, much more against entanglement, much more against alliances. They used to laugh at us when we talked about the League of Nations and collective security. Now they've accepted a great deal of what we were saying then. Well, so much the better.

Q What would be the effect on the Anglo-American partnership if a Socialist Government were in power here?

A No great effect. I repeat, it was we who—I won't say "started up" that alliance, because it has been going on a long time—but we certainly did a lot to strengthen it. It is, in our view, an essential element in our foreign policy.

RED CHINA AND THE U. N.—

Q Does the Labor Party favor the admission of Communist China to the United Nations?

A Oh, yes, absolutely. We always have.

Q Why is that?

A Because we think you'll never get a settlement in the Far East until you do admit them, and because we believe in recognizing a government if it is the effective government of a country, whether we approve of it or not. We think, frankly, the American attitude is illogical because you won't recognize the Communist Government in China but you recognize the Communist Government in Moscow. If you're deciding on moral grounds, why draw a distinction between them?

Q The American Government takes the position that the Communist Chinese are still regarded by the United Nations as the aggressors in the Korean war and, therefore, shouldn't be allowed to shoot their way into United Nations membership. Do you agree with this attitude?

A If I may say so, I think they shot their way out of U. N. membership, in the sense that if they had not started the Korean war they would be members of the U. N. now. Anyway, you refused to recognize them, even before the Korean war started.

Q What is your feeling about the situation in the world since the Big Four meeting at Geneva? Do you feel that there has been a change in the international atmosphere?

A My view is that there has been a change in Russian tactics. This, I think, is genuine in that they do not want the same kind of tense situation to continue internationally, just as I think there is now a genuine desire for a less terroristic regime at home. That's my impression. They are sick of the appalling bloodshed of the Stalin period, and they do want to let up there. But I think we should be making a great mistake if we were to drop our guard in any way.

I'm all for meeting them and discussing with them and trying to reach agreements with them wherever we possibly can, but I think we would certainly be unwise to allow our defenses to drop until we really have established a much greater degree of settlement and much more effective controls over arms internationally.

Q You said it would be unwise for the West to drop its guard. Yet, the Labor Party is in favor of cutting the national-service period in this country, isn't it?

A Yes, we are in favor of a cut. There are good reasons for this. You must realize that we have a two-year period of service here for everybody. I think, apart from Turkey, that no other member of NATO has such a long universal period of conscription. The United States has a selective-service system while ours is on a universal basis. There is a great deal of discontent about that here, and there is a feeling —I think a reasonable feeling—that, since we evacuated Egypt and saved our 80,000 troops from there, we really ought to be able to cut the period of service. And, of course, there are rumors to the effect that the Government are going to do this.

We've been extremely patient about it. If I may say so, we've been very responsible in our attitude because it's a very unpopular thing here. But the time has now come when, unless there is some drastic change in the international situation, we simply are not prepared to go on doing as much as all this when nobody else in NATO does as much. And when also we know that a lot of the time of the people in the Army seems to be wasted, which, of course, doesn't help at all, and when we are certainly carrying a very heavy burden.

NEEDED: FREE TRADE—

Q One final question: Do you think the British have a legitimate complaint about President Eisenhower's recent increase in the bicycle tariff and the refusal of the U. S. Government to award a contract to a British supplier for equipment for the Chief Joseph Dam when the British bid was the lowest? Do you think that the United States is hindering Britain from trading with the United States by its tariff and trade policies?

A Yes; it creates a very bad impression over here. When a country which is supposed to believe in free trade and free economy simply doesn't apply those principles to its relations with other countries, despite the fact that it has a large trade surplus and when we are being told we must make great efforts, of course it doesn't cheer us up when these contracts are given to American firms instead of British firms when the British can do it cheaper. And it does create, from the point of view of Anglo-American relations, a bad feeling. There's no doubt about that. I don't want to exaggerate it.

I realize the problem of the tariff particularly. I'm not asking that America should drop all her tariffs. I know the difficulties there. But it would help us enormously if we could be sure that they weren't going to be raised against us.

You see, a British firm takes a bit of time building up a market in the United States, and invests a lot of money. You people are always encouraging us to do this. Then, as soon as they are successful, along come the American manufacturers and they go to the Tariff Commission and up goes a tariff. Well, that is really bad.

I'm bound to say it makes people cynical, frankly, over here about American intentions—which is, I'm sure, not justified.

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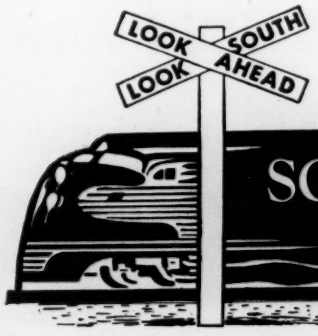
Harry A. DeButts
President



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DO TAX RATES NEED TO BE SO HIGH?

81 Per Cent of Revenue Comes From 20 Per Cent Rate

There's growing complaint these days about high income taxes.

The question is raised as to whether Government really needs to take as much as 91 cents out of a dollar of income.

Tax planners, looking to a reduction, find these rates deal a severe blow to some people, without helping the budget much.

Talk of a tax cut in 1956, and how a cut should be applied, is drawing attention to the way Government now taxes incomes of individuals. Concern is increasing as to whether the "graduated" income tax really does what it is intended to do.

What is being discovered, by people who are taking their first close look at the income tax, is that it is not the high-bracket rates that pour revenue into the U. S. Treasury. It is, instead, the very lowest rates.

The reason: Very few people earn the big incomes that are subject to top tax rates. And many who draw big incomes from sources other than salaries find countless ways to avoid the high rates.

Government, in other words, is attempting to take almost all of some top-layer income, but getting almost no revenue in the process.

This discovery is prompting new demands that Congress make the "radical revisions" that Eisenhower officials once cited as necessary for the income tax.

Who pays the tax. Official reports provide a significant picture of income tax collections. What is shown is this:

The basic rate, 20 per cent, is paid by all taxpayers, high-income as well as low. On that rate, applied to all their taxable income, people pay in more than 23 billion dollars a year. This amounts to more than 81 per cent of the 28.4 billion dollars collected from the tax, according to the latest official analysis.

People in the next-higher brackets pay rates that, in total, run from 22 per cent through 34 per cent on some of their income. But, in paying the added tax above the basic rate, they account for just over 10 per cent of all income tax revenue, or about 2.9 billions.

People in the still-higher brackets pay total rates running from 38 per cent through 50 per cent on some of their income. But their payments on the added rates account for less than 5 per cent of the total or about 1.4 billion dollars.

Higher-income taxpayers pay rates from 53 per cent through 91 per cent on some of their income. But, in paying the top rates, they account for only 3.8 per cent of the tax take, or about 1.1 billion.

What to do? These official figures point to conclusions that, to some taxpayers, will be pretty startling:

• Government could wipe out all the higher rates—those above 50 per cent

(Continued on page 136)

HIGH RATES FOR INCOME TAXES— HOW MUCH REVENUE DO THEY RAISE?

U. S. taxes on incomes of individuals raise, each year **$28.4 billion**

Of that total—

- **Base rate of 20 per cent—paid by all taxpayers—brings in 81.2 per cent, or . . . . . $23.0 billion**
- **Rates at 22 per cent through 34 per cent bring in 10.1 per cent, or $ 2.9 billion**
- **Rates at 38 per cent through 50 per cent bring in 4.9 per cent, or $ 1.4 billion**
- **Rates at 53 per cent through 91 per cent, paid only by higher-income taxpayers, bring in 3.8 per cent, or . . . . $ 1.1 billion**

WHAT IT MEANS: If all rates above 50 per cent were abolished, it would cost U. S. a little more than a billion dollars a year.

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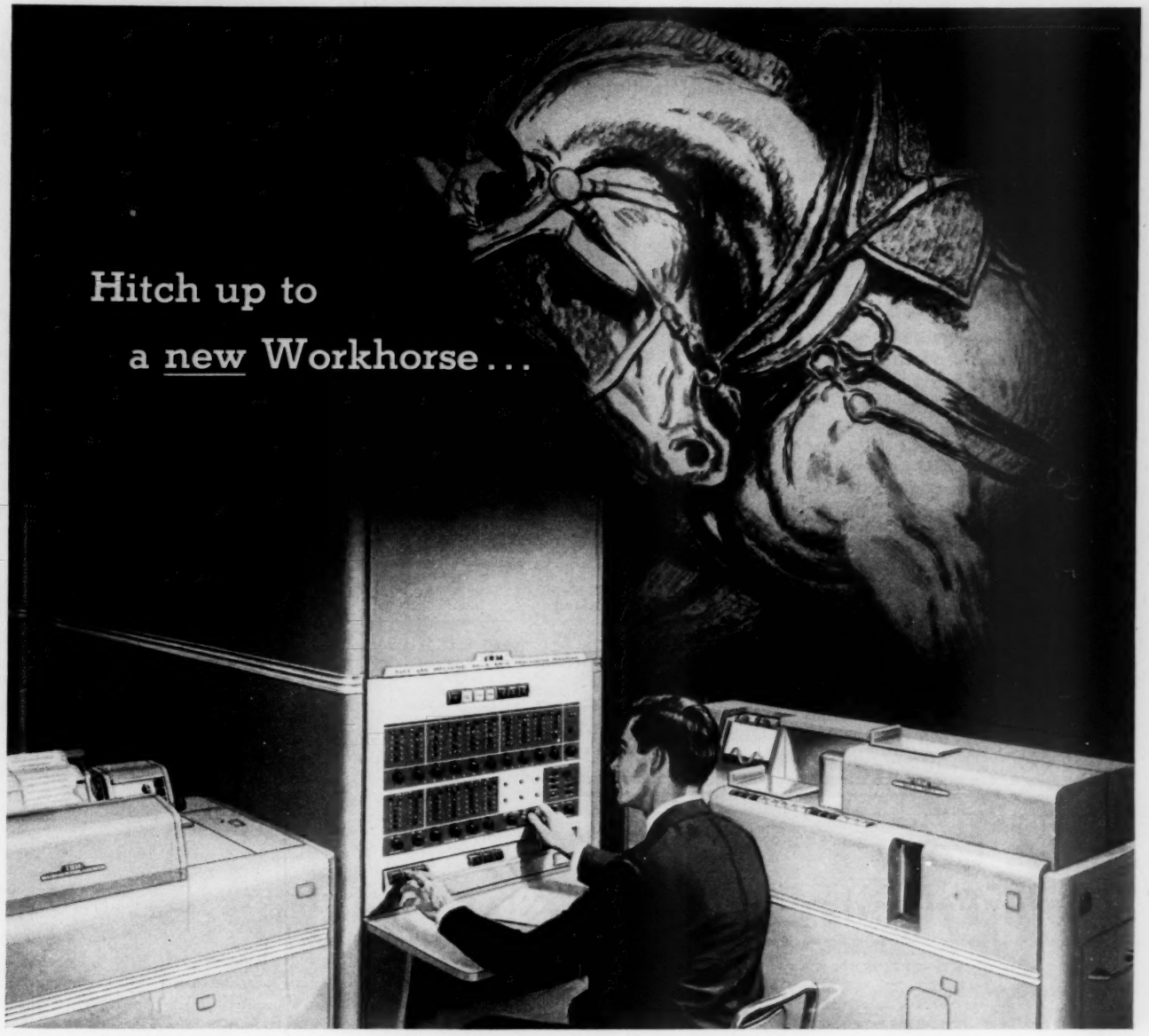

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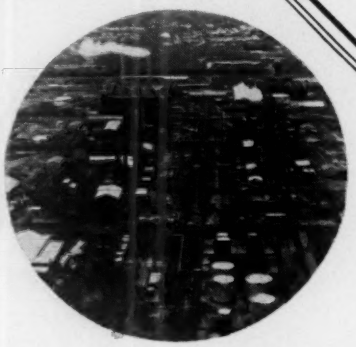

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Republicans' plan: Flat percentage cut in taxes . . .

—and lose only about 1.1 billion dollars of annual revenue.

- In fact, all rates above 34 per cent could be repealed with a revenue loss of only 2.5 billions.
- A mere $100 rise in the allowance for personal exemptions, to $700, would reduce revenues by about 2.4 billion dollars. That rise in exemptions, in other words, would cost the Treasury about the same amount of money as the repeal of all rates above 34 per cent.
- The so-called graduated income tax is graduated only for a relatively few people. For about seven taxpayers in 10, the income tax is a flat-rate levy, like a sales tax. These people pay only the 20 per cent rate. And most of the rest of the taxpayers pay no higher than 22 per cent.

Tax reduction—how? The question of whose taxes should be cut, and by how much, is one that can excite Congress at any time, but particularly in an election year. Already, some members of the House and Senate are doing their best to get their own tax-cutting ideas before the voting and taxpaying public.

Republican planners most frequently suggest a flat percentage reduction for everybody, with 10 per cent mentioned by some as a good round figure. To supporters of this plan, the big appeal is in tailoring each individual's tax relief to the taxes he now pays—the largest dollar amounts going to those who pay the biggest amounts, smaller cuts going to those who now pay little in taxes.

That plan, Democrats charge, means little or nothing to the bulk of all taxpayers. A factory worker with a wife, two children and an annual income of $4,500 is cited as an example. He now pays a tax of about $330. For him, a 10 per cent reduction means a saving of $33. This is compared with the $1,830 that would be saved on the present $18,300 tax paid by the head of a four-member family if he has a $50,000 income.

That argument, politicians say, is sure to make things difficult for any effort by the Administration and Republicans in Congress to grant major relief to those who pay the highest taxes. The demand, in an election year, is to be for a plan that leaves high taxes high and reserves most of the tax relief for the big number of taxpayers, those who pay the lowest taxes.

Democrats, on the other hand, are running into the stubborn fact that tax relief concentrated among low-tax individuals means either a small dollar saving for each taxpayer, or a whopping tax loss for the U. S. Treasury. It was this problem that forced abandonment of a Demo-

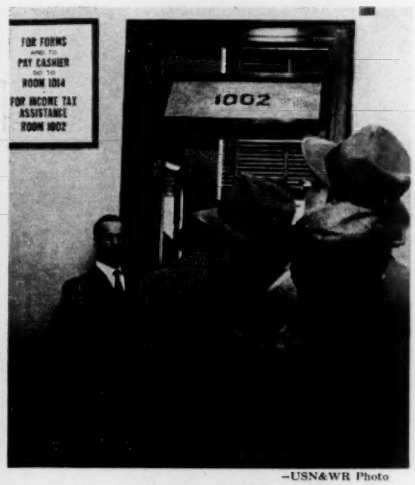
. . . Democrats' plan: 100% relief in bottom brackets

cratic plan to boost exemptions to $800, from $600 now. The cost in revenues came to 4.5 billion dollars.

A substitute plan, sponsored by Democrats and approved by the House, means a revenue loss of something over 2 billion dollars. But it offers a sav'ng of only $20 for each taxpayer and each dependent.

That plan, if approved by the Senate and signed into law by Mr. Eisenhower, will grant tax reductions ranging from a small fraction of 1 per cent at high levels of income to 100 per cent at lowest levels.

What is shown by all this is that, while major relief in high brackets costs little in revenue, even a small reduction for



–USN&WR Photo

TAXPAYERS

. . . Seven in 10 pay only 20 per cent

those who pay small taxes means a big loss in revenue. This is the stubborn and frustrating fact that Congressmen keep bumping into as they plan tax relief.

Administration ideas for tax cutting, too, run up against the same problem.

To Mr. Eisenhower's tax advisers, the proper way to give tax relief is, as they put it, "to climb down the tax ladder the same way we came up." They want to wipe out wartime increases in something like the order in which they were adopted.

Restoring 1949 rates, for example, means reducing the basic rate from the present 20 per cent to 16.6 per cent, and the top rate from 91 per cent now to a bit over 82 per cent. Rate cuts, in other words, would range from 3.4 percentage points at the bottom of the income scale to about 9 points at the top.

The hitch is that a drop of 3.4 points

(Continued on page 138)

HOW LONG CAN THE BOOM LAST?

What Action to Take Now?

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Curtis Pub	Bullard Co
Case (JI)	Carrier Corp
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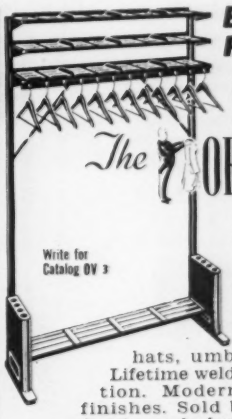

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. . . Election complicates problem of tax planners

in all rates—even without any larger cuts in higher rates—means a revenue loss approaching 4 billion dollars, or nearly as much as the cost of eliminating all rates above 26 per cent.

A drop of only one percentage point in all rates means a revenue loss of about 1.2 billion dollars—or more than the cost of wiping out all rates above 50 per cent. Yet, for the married man in the $100,000 tax bracket, a one-point drop in all rates means a tax cut from $53,640 now to $52,640—a reduction of less than 1.8 per cent.

Conclusions to which Administration and congressional tax planners are led by the facts seem to be these:

They cannot grant important tax relief to all those who pay relatively low taxes without serious damage to the federal budget.

They can grant sharp cuts to those whose taxes are high without hurting the budget much, but not without charges that such action favors the wealthy.

In an election year, those conclusions are to play a significant part in the shaping of tax relief to come.*

Tax Deadlines Coming Up

NOVEMBER 10

- ***Employers*** who deposited income and Social Security withholding taxes on time during third quarter file third-quarter return, form 941.
- ***Manufacturers, retailers,*** others who made deposits of excise taxes on time during third quarter file third-quarter return, form 720.

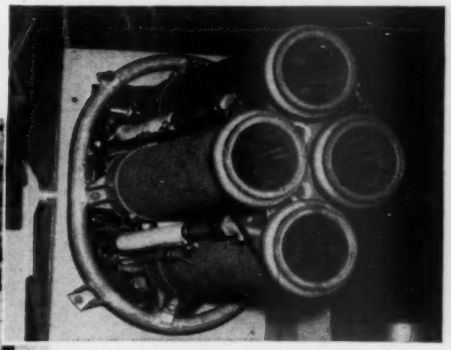
NOVEMBER 15

- ***Employers*** deposit income and Social Security taxes withheld in October if more than $100.

NOVEMBER 30

- ***Manufacturers, retailers,*** others deposit excise taxes for October if more than $100.
- ***Gamblers, bookmakers*** pay tax on wagers accepted in October, form 730.

new team impetus...



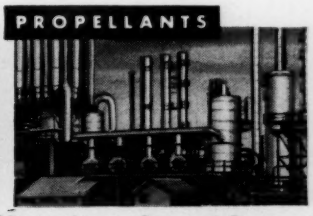
In the field of fuels research, Olin Mathieson and Reaction Motors are developing new liquid and solid propellants as well as additives to improve current propellants. Reaction Motors and Marquardt Aircraft establish specifications for these new rocket and ramjet fuels and test and evaluate their capabilities for meeting tomorrow's needs.

developing super fuels for supersonic propulsion

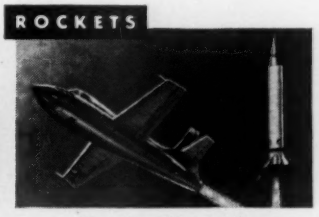
Applying the modern "weapons system" concept to the problems of supersonic propulsion, Olin Mathieson, Reaction Motors, and Marquardt Aircraft are combining their unique skills and experience in the development and production of rockets, ramjets, and special fuels. Coordinated by the OMAR Joint Technical Committee comprised of representatives of the three companies, this applied research program is dedicated to the practical advancement of supersonic aircraft and missile propulsion.

3519

Marquardt Aircraft Company



Olin Mathieson Chemical Corporation



Reaction Motors, Inc.

MARQUARDT AIRCRAFT
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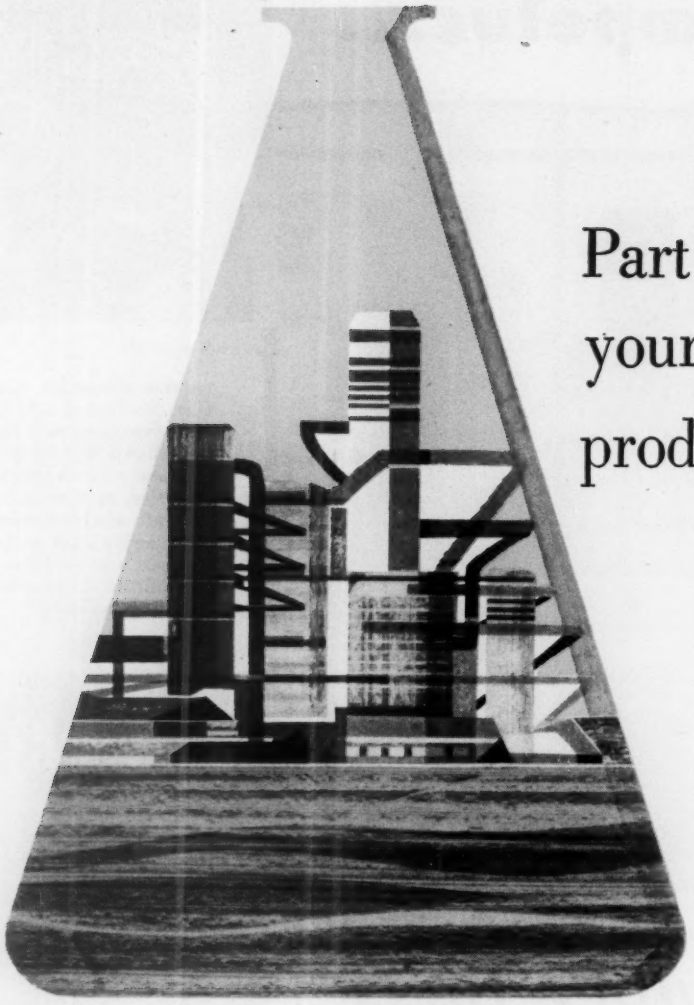
REACTION MOTORS



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Checks on boom still are being applied through money and credit controls.

Tight-money policy is being followed by the Federal Reserve Board.

Purpose is to make sure that banks do not get reckless in lending to customers. If banks want to make loans, most of them have to borrow reserves from Reserve Banks to support the loans. That's designed to promote caution.

Banking system, as a whole, has owed Reserve Banks between 300 million and 400 million dollars for several weeks now.

Net debt of the banking system is the difference between the amount that some banks owe to Reserve Banks and the excess reserves held by other banks.

Average borrowings of banks in October were 878 million dollars, against average excess reserves of 544 millions.

"Free reserves," the banking system's unobligated funds, have been absent for about three months. In other words, if banks want to make new loans, chances are that they will have to borrow some money themselves.

A few mild comments are being made that this policy has gone far enough.

Mortgage bankers, meeting in Los Angeles, were assured that credit would loosen if home buying showed positive signs of slumping. That came from top men in the Government's housing agency and the Department of Commerce.

At present, "money is dear enough and tight enough," said Henry C. Alexander, of J. P. Morgan & Company, to the New York Chamber of Commerce. He intimated that it might be wise to use a bit less restraint.

There's no sign, though, that Federal Reserve officials are going to relax controls. But it's doubtful if they will be tightened much more.

Rise in consumer credit, indeed, suggests that restraints are needed.

Total consumer debt jumped 657 million dollars in September to reach an all-time high of 34.3 billion. Rise has been steady through the summer. It was 913 million in May, 903 million in June, 562 million in July, and 679 million in August. Auto buying on installments is largely responsible.

People can be expected to take on more debt in months ahead. New-model cars are being introduced and the Christmas shopping season is near. Total installment debt on September 30 was up nearly 4.8 billions in a year.

Debt repayments, however, are being made in large volume.

Payment on installment debt came to about 2.7 billions in September, a slight dip from August, season considered.

People now are paying about 12 per cent of their after-tax income on past installment debts. That does not appear excessive, particularly with incomes still rising. But the question is: How much longer can the rise continue? That is bothering a lot of people, and no one has positive answers.

(over)

Debt outpaced savings in the April-June quarter of this year. That is the report of the Securities and Exchange Commission.

Individual savings during that period are put at 5 billions. That covers currency and bank deposits, savings and loan associations, Government and private insurance, purchases of Government and corporate securities.

Mortgage debt and consumer debt, however, rose by 5.5 billions.

Net result is debt increased by 500 millions. More people decided to buy houses, household goods and automobiles; and they decided to borrow to buy, rather than to save. That's a trend, too, that bears watching.

Auto industry, however, thinks debt can go still higher in 1956.

Industry planning now seems to be based on another year almost as good as the year now ending. That goes for the large and the smaller firms.

Cleanup of 1955 models by dealers pleases factories. Estimate is that there are fewer than 500,000 such cars still to be sold. That encourages the factories to plan for a program of "full steam ahead" in 1956.

From other quarters, you get warnings that the boom is leveling off.

Increase in business activity is going on at a slower rate than earlier this year, it's noted by the Chicago Federal Reserve Bank.

Slight decline in industrial production is seen as probable for next year by Charles W. Williams, vice president of the Richmond Federal Reserve Bank.

And Gabriel Hauge, the President's economic aide, said in a radio-TV interview that continued growth at recent rates is not to be expected. In other words, the boom can't keep going at a rising pace.

New construction, when measured at seasonal rates, already is dipping.

New building in October dipped to 3.48 billions from September's 3.54 billions. Decline, seasonally adjusted, was the fourth in five months.

Home building and public construction were centers of the dip.

Private industrial construction expanded in October to a new record.

Commercial building also moved up slightly during the month.

Outlook is for home building to be smaller in 1956 than in 1955. And, if auto output dips, too, as appears likely, these declines probably will produce a downtrend in general business activity sometime next year.

Trade with Russia is starting arguments again.

Trade in "peaceful goods" with the Soviet bloc is to be encouraged by easing U.S. controls. Commerce Secretary Sinclair Weeks made the announcement.

Easing of trade controls was praised by Senator Estes Kefauver (Dem.), of Tennessee, but criticized by Senator Paul Douglas (Dem.), of Illinois.

Heart of the issue is whether more Russian-U.S. trade will contribute to good feeling, or will aid the Soviet's military build-up, whatever the goods.

Social Security pensions for the aged are edging out direct relief under old-age assistance. In the last five years Social Security Administration says proportion of people on old-age assistance dropped 20 per cent.

Old-age benefits under Social Security, on the other hand, are up sharply.

Cost of old-age assistance, however, is higher than it was five years ago. Reason: Payments in most States are higher now than in 1950.

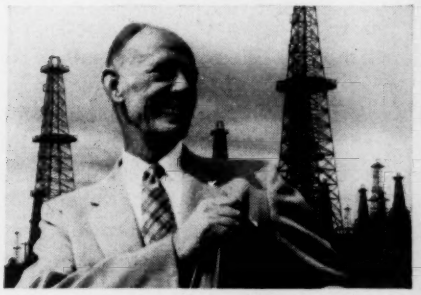
K.C.M. Anderson

He followed his heart and found his world

"You've heard it said that there's more opportunity in America than in any other country?

"It's true. But it's hard to realize how true unless you come here from abroad. As I did, from Scotland.

"Now I cherish my homeland. But as in so many of the older countries, your life is pretty well laid out for you at birth. The odds are you'll follow this path whether you want to or not.



"Well, I didn't like what my future seemed to be in Scotland, so I quit my job and followed the girl I had fallen in love with to California. I got a job with Union Oil as a clerk in the Field department, and we were married shortly after.

"When I started with the company in 1925 we seldom drilled a well deeper

than 4,000 feet. Today it's not uncommon to go down 12,000 feet. Even drill under water!

"Better tools have made this possible. And created new opportunities. I'm now an Administrator in the Union Oil Field department.

"But the important point is—every one of these thirty years I've been doing what I wanted to do. Our children have enjoyed the same privilege. Our boy's a graduate engineer, now on active duty as an Ensign in the U.S. Naval Reserve. Our daughter is a college teacher.

"That, I think, is the miracle of America: the chance it gives you to be what you want to be. And to live happier because of it."

ANDERSON: "FOR THIRTY YEARS I'VE BEEN DOING WHAT I WANTED TO DO."

* * * *

Anderson is far too modest. His own hard work is obviously the first reason for his success.

But tools did help, and in the thirty years since Anderson joined us our investment in tools made available to our employees has increased from $22,000 to more than $83,000 per employee.

So long as business competes for your favor it will continue to improve its tools. Which is another reason why there should always be more opportunity in America than in any other country in the world.

YOUR COMMENTS ARE INVITED. *Write: The President, Union Oil Company, Union Oil Building, Los Angeles 17, California.*

Union Oil Company OF CALIFORNIA

MANUFACTURERS OF ROYAL TRITON, THE AMAZING PURPLE MOTOR OIL

A NEEDED WARNING

By David Lawrence

THE SOVIET GOVERNMENT is pursuing a course that can lead to the outbreak of a third world war.

The Kremlin is playing with fire in the Middle East and in North Africa.

The Moscow Government is refusing to withdraw its armies from East Germany and is openly blocking the reunification of Germany, even though World War II ended more than ten years ago.

This tends to breed a spirit of national revenge on the part of all Germans.

The Soviet game is now fully revealed. It is to hold on to the vast territory occupied by the Red armies in Eastern Europe and, at the same time, to provoke warfare in the Middle East and in North Africa.

The United States, Great Britain, and France are engaged at the moment defensively on the diplomatic front, but it must be conceded that the West's position is not as clear as it was before the "summit" conference at Geneva. At that conference the Western powers announced a desire to negotiate a settlement. The Russians, however, have mistaken this for a willingness on the part of the West to surrender on vital issues.

Before the Geneva Conference, the United States, at least, was emphasizing military power and was talking in terms of collective security pacts designed to defend the Western world against any and all attacks from the Communist regimes.

But, immediately after the Geneva Conference adjourned, many people in the Western countries jumped to the conclusion that peace was at hand. A de-emphasis on military strength began in Britain and America.

The Soviets have taken advantage of this deterioration in the Western position to press their infiltration in the Middle East and in North Africa. Outwardly Communist diplomacy appears stronger and more obdurate than it was before Geneva. The Russians seem to have concluded that the West will not fight for its principles no matter what happens.

This was the fatal miscalculation that Hitler made. It's the same mistake every aggressor makes. If, of course, an aggressor thinks he can get what he wants without a fight, he will attempt to extend his authority everywhere that he can.

But there comes a time to call a halt—to draw a line.

For the Russian aggressor has now boldly stepped out of his sovereign boundaries and is selling arms to Egypt, which country guards the entrance and exit of the Suez Canal, an important gateway for commerce and vessels of war.

The moment the Soviet Government ordered its puppet government in Czechoslovakia to sell arms to Egypt, the Moscow rulers committed an unfriendly act against the West. This alarmed the government of Israel and stimulated last week a resumption of fighting with Egypt. Too often little wars lead to big wars.

The situation will not be cured by politely-worded generalities begging Russia to keep peace in the world. Something much more explicit has to be said. The Soviet Government has to be warned that aggression in the Middle East will not be tolerated, and will be resisted by force.

The Middle East situation is not far different from that which the United States faced recently in the Far East. A line was drawn there against the Communist advance. A resolution was adopted by Congress authorizing the President to resist attacks on Formosa and related areas. There has been some skirmishing since but no major war.

Similar firmness must be shown in the Middle East and also with respect to the problems presented by the refusal of Russia to end her occupation of Germany.

The basic principle involved is that East Germany must be rid of coercion by Soviet troops so that the people there may hold elections which are truly free. The troops of the Western powers can be withdrawn simultaneously with those of the Soviets. Then the German people can choose their government in their own way. It is absurd for Russia to be talking about her need for security guarantees against Germany—a weak and virtually unarmed country possessing no nuclear weapons or factories to make them.

Russia is herself promoting the insecurity and instability of Eastern Europe.

It is the continued maintenance of armed forces in East Germany by the Soviet which is a threat to world peace.

It is the continued oppression and enslavement of the peoples of the satellite states which is sowing the seeds of a big war.

War is horrible to contemplate but the horrors of war have never prevented men from fighting where their very liberties are at stake—against slavery and for human freedom.

Realism commands the West to say frankly to the Russians that they are playing with fire, that they are engaging in acts of aggression which if not abandoned will inevitably lead to a world war.

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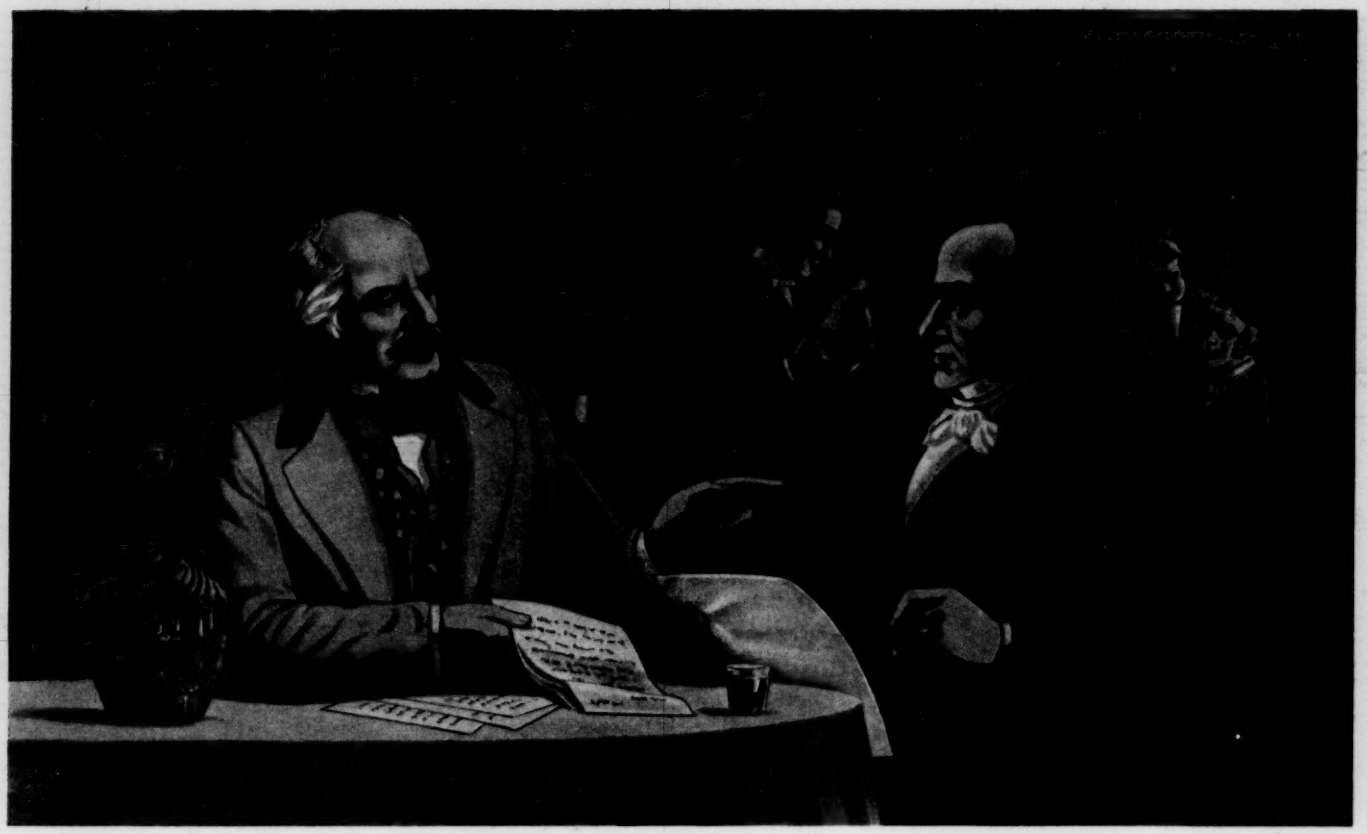

AN HISTORIC REUNION OVER A DRINK OF CROW'S WHISKEY

Texas' greatest hero, General Sam Houston, discusses national problems with Senator Daniel Webster, as they had done years before at O'Neale's Tavern, Washington, D. C.

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